

Brahim's Holdings Berhad

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

Interim Financial Report 30 June 2015

Brahim's Holdings Berhad

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

Condensed Consolidated Statement Of Comprehensive Income For The Quarter Ended 30 June 2015

	Individual Quarter		Cumulative Quarters	
	3 months ended		6 months ended	
	30 June		30 June	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Continuing Operations				
Revenue	67,087	92,336	152,813	184,809
Cost of Sales	(32,868)	(38,533)	(68,757)	(75,581)
Gross Profit	34,219	53,803	84,056	109,228
Other income	204	627	470	1,255
Administrative expenses	(38,690)	(41,202)	(78,995)	(81,716)
Other expenses	(1,202)	(4,148)	(2,773)	(5,825)
Finance costs	(2,541)	(2,909)	(4,978)	(5,945)
Share of results of jointly controlled entities	(188)	265	(467)	1,034
(Loss)/Profit before taxation	(8,198)	6,436	(2,687)	18,031
Income tax expense	(100)	(2,547)	(152)	(6,717)
(Loss)/Profit after taxation	(8,298)	3,889	(2,839)	11,314
(Loss)/Profit attributable to:				
- Owners of the Company	(6,813)	1,562	(3,972)	5,719
- Non Controlling Interest	(1,485)	2,327	1,133	5,595
	(8,298)	3,889	(2,839)	11,314
Total comprehensive income attributable to:-				
- Owners of the Company	(6,813)	1,562	(3,972)	5,719
- Non Controlling Interest	(1,485)	2,327	1,133	5,595
	(8,298)	3,889	(2,839)	11,314
(Loss)/Earnings per share (sen) attributable to the owners of the Company				
Basic	(2.88)	0.66	(1.68)	2.46
Diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014.

Brahim's Holdings Berhad

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

Condensed Consolidated Statement Of Financial Position As At 30 June 2015

	As At 30.6.2015 RM'000 (Unaudited)	As At 31.12.2014 RM'000 (Audited)
ASSETS		
Non Current Assets		
Property, plant and equipment	60,487	60,907
Investment in a Joint Venture	21,412	21,878
Intangible assets	1,824	58
Goodwill on consolidation	294,311	294,311
Deferred tax assets	13,680	13,740
	<u>391,714</u>	<u>390,894</u>
Current Assets		
Inventories	7,394	7,525
Trade receivables	47,193	82,472
Other receivables, deposits and prepayments	9,897	13,477
Tax recoverable	24,347	3,224
Amount owing by joint venture companies	20	37
Fixed deposits with a licensed bank	6,757	6,654
Cash and bank balances	20,008	13,545
	<u>115,616</u>	<u>126,934</u>
TOTAL ASSETS	<u>507,330</u>	<u>517,828</u>
EQUITY & LIABILITIES		
Equity attributable to equity holders		
Share capital	236,285	236,285
Share premium	31,981	31,981
Accumulated losses	(25,660)	(21,688)
Shareholders' Equity	<u>242,606</u>	<u>246,578</u>
Non Controlling Interest	27,916	26,783
Total Equity	<u>270,522</u>	<u>273,361</u>
Non-Current Liabilities		
Long-term borrowings	131,887	131,801
Deferred tax liabilities	1	1
	<u>131,888</u>	<u>131,802</u>
Current Liabilities		
Trade payables	39,267	41,934
Other payables and accruals	28,140	39,458
Short-term borrowings	20,814	28,559
Provision for taxation	14,342	65
Bank overdrafts	2,357	2,649
	<u>104,920</u>	<u>112,665</u>
Total Liabilities	<u>236,808</u>	<u>244,467</u>
TOTAL EQUITY AND LIABILITIES	<u>507,330</u>	<u>517,828</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014.

Brahim's Holdings Berhad

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

Condensed Consolidated Statement Of Changes In Equity For The Year Ended 30 June 2015

	< Non - Distributable >		< Distributable >		Non- Controlling Interest RM'000	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Retained profits RM'000	Total RM'000		
At 1 January 2015	236,285	31,981	(21,688)	246,578	26,783	273,361
Contribution by owner of the Company						
Total comprehensive income	-	-	(3,972)	(3,972)	1,133	(2,839)
Dividends	-	-	-	-	-	-
At 30 June 2015	236,285	31,981	(25,660)	242,606	27,916	270,522
At 1 January 2014	225,545	17,818	10,865	254,228	34,655	288,883
- 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
Dividend paid	-	-	(591)	(591)	-	(591)
At 30 Jun 2014	236,285	31,981	15,993	284,259	40,250	324,509

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014.

Brahim's Holdings Berhad

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

Condensed Consolidated Statement Of Cash Flows For The Financial Year Ended 30 June 2015

	6 months ended	
	As at 30.06.2015 (Unaudited) RM'000	As at 30.06.2014 (Unaudited) RM'000
Operating activities		
(Loss)/Profit before tax	(2,687)	18,031
Adjustment for:-		
Allowance for impairment losses on receivables	-	1,900
Allowance for impairment losses on goodwill	-	-
Amortisation and depreciation	7,702	5,960
Bad-debt written off	-	45
Interest expense	4,944	5,790
Interest income	(155)	(662)
Loss/(Gain) on disposal of property, plant and equipment	-	48
Share of results in joint ventures	467	(1,034)
Tax expense	-	6,717
Write-back of allowance for impairment losses on receivables	-	(58)
Zakat	-	500
Operating profit before working capital changes	10,271	37,237
(Increase)/Decrease in inventories	131	380
(Increase)/Decrease in receivables	38,858	(47,495)
Increase/(Decrease) in payables	(8,677)	(19,341)
Cash generated from/(used in) operations	40,583	(29,219)
Interest paid	(4,944)	(5,790)
Interest received	-	662
Tax paid	(6,938)	(11,018)
Net cash generated from/(used to) operating activities	28,701	(45,365)
Investing activities		
Investment in JV	(51)	-
Advances from/(Repayment to) a joint venture	16	(18)
Interest income	155	-
Dividends from JV	51	-
Proceeds from disposal of property, plant and equipment	-	277
Purchase of property, plant and equipment and intangibles assets	(9,048)	(4,498)
Net cash used in investing activities	(8,877)	(4,239)
Financing activities		
Dividend paid to non-controlling interest	(5,308)	-
Dividend paid to shareholders	-	(591)
Drawdown of bank borrowings	-	155,000
Proceed from issuance of share capital	-	25,121
Share issuance expenses	-	(218)
Repayment of bank borrowings	(7,750)	(146,239)
Proceed from lease and hire-purchase	130	-
Repayment of lease and hire-purchase	(38)	(387)
Net cash (used to)/generated from financing activities	(12,966)	32,686
Net increase in cash and cash equivalents	6,858	(16,918)
Cash and cash equivalents at the beginning of financial year	17,550	50,056
Cash and cash equivalents at the end of financial period	24,408	33,138
Cash, bank balances and fixed deposits with licensed banks	26,765	36,033
Bank overdrafts	(2,357)	(2,895)
	24,408	33,138

Brahim's Holdings Berhad

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

Notes To The Interim Financial Report

A Explanatory Notes Pursuant to MFRS134

1. Basis of preparation

The condensed consolidated interim financial statements are not audited and have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS 134) "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the annual financial report for the year ended 31 December 2014. These explanatory notes attached to the financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

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)

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

Annual Improvements to MFRSs 2009 – 2011 Cycle

The adoption of the above accounting standards and interpretations do not have any material impact on the financial performance of the Group.

Brahim's Holdings Berhad

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

Notes To The Interim Financial Report

3. Auditors' Report

There was no qualification on the audited financial statements for the financial year ended 31 December 2014 except emphasis matter on the goodwill.

4. Seasonal or cyclical factors

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

5. Unusual items

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

6. Changes in estimates

There were no significant changes in the estimates reported in the prior financial year, which have a material effect in the current reporting period.

7. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current financial year to date.

8. Dividends paid

No dividend was paid during the current quarter ended 30 June 2015.

Brahim's Holdings Berhad

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

Notes To The Interim Financial Report

9. Segmental reporting

	Individual Quarter 3 months ended 30 June		Cumulative Quarters 6 months ended 30 June	
	2015 RM '000 (Unaudited)	2014 RM '000 (Unaudited)	2015 RM '000 (Unaudited)	2014 RM '000 (Unaudited)
Segment Revenue				
Revenue from continuing operations:				
In-flight catering & related services	64,385	89,566	147,586	179,409
Logistics and related services	1,870	1,916	3,682	3,574
Trading	1	13	5	19
Food and beverage	597	783	1,243	1,667
Holding Company	234	58	297	140
Total revenue including inter-segment revenue	67,087	92,336	152,813	184,809
Elimination of inter-segment revenue	-	-	-	-
Total revenue from continuing operations	67,087	92,336	152,813	184,809
Segment results				
Results from continuing operations:				
In-flight catering & related services	(4,981)	10,418	3,845	25,684
Logistics and related services	364	310	587	573
Trading	(5)	54	(14)	(6)
Food and beverage	(201)	(438)	(450)	(786)
Sugar refinery	(145)	(80)	(224)	(225)
Holding Company	(501)	(1,184)	(986)	(2,298)
Operating (loss)/profits from continuing operations	(5,469)	9,080	2,758	22,942
Finance costs	(2,541)	(2,909)	(4,978)	(5,945)
Share of results from Joint Venture	(188)	265	(467)	1,034
(Loss)/Profit before taxation	(8,198)	6,436	(2,687)	18,031
Income tax expense	(100)	(2,547)	(152)	(6,717)
(Loss)/Profit after taxation	(8,298)	3,889	(2,839)	11,314

Brahim's Holdings Berhad

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

Notes To The Interim Financial Report

10. Valuation of Property, plant and equipment

The valuations of property, plant and equipment of the Group have been brought forward without amendments from the previous annual financial statements.

11. Material Events Subsequent to the End of Interim Period

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 6 on the status of corporate proposal of this report.

12. Changes in composition of the Group

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

13. Changes in Contingent Liabilities or Contingent Assets

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

14. Capital Commitments

	6 months ended	
	30.06.2015	30.06.2014
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Approved and contracted for :-		
Property, plant and equipment	1,074	3,618
Intangible assets	-	-
	<hr/>	<hr/>

Brahim's Holdings Berhad

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

Notes To The Interim Financial Report

15. Related Company Transactions

The related company transactions of the Group had been entered into in the ordinary course of business. Below are the significant transactions with the related parties of the Group during the current financial period.

	Current Quarter 3-months ended 30.6.2015 RM '000 (Unaudited)	Cumulative 6-months ended 30.6.2014 RM '000 (Unaudited)
Management fees received/receivable from a joint venture	(62)	(124)

16. Comparatives

The classifications of items in the current quarter have been consistent with the audited financial statements for the year ended 31 December 2014.

Brahim's Holdings Berhad

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

Interim Financial Report 30 June 2015

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

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

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

For 2015 second quarter, the Group recorded a 27.43% reduction in revenue to RM67.01 million compared with the corresponding period in 2014 of RM92.34 million.

The Group recorded a pre-tax loss of RM8.30 million in the current quarter as compared to a pre-tax earnings of RM6.44 million in the corresponding quarter of the previous year.

The decline in earnings resulted largely from continuing concessions given to MAS under the Settlement Agreement dated 26 February 2015.

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 RM25.18 million or 28.11%, closing at RM64.39 million compared with a revenue of RM89.57 million in the corresponding quarter of the previous year.

Current quarter's segmental loss from operations was RM4.98 million compared with a profit of RM10.42 million from operations in the same quarter of the previous year. The lower revenue resulted in an operating loss arising from price suppression implemented by MAS under its Recovery Plan as well as the concessions agreed with MAS under the Settlement Agreement.

Food and Beverage

Performance of the F&B segment for this quarter was lower than the corresponding quarter of the previous year. Revenue for the current quarter was RM597,000 which was 23.75% or RM186,000 lower than the revenue of RM783,000 on the corresponding quarter of the previous year. This resulted from the GST implementation which saw consumers spending reduced on F&B across the board.

Current quarter's operations have improved with lower losses of RM201,000 against a corresponding 2014 period losses of RM438,000. This is largely the positive outcome arising from the implementation of Turnaround Plan for this segment.

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

1. Performance Analysis (Cont'd)**Logistics and related services**

Current quarter's revenue contributed by the logistics and related services segment remains on track. It registered RM1.87 million in revenue a marginal 2.60% lower compared to RM1.92 million in the corresponding quarter of the previous year. The warehouse occupancy rate continued to remain stable.

Segmental profit improved by 17.42% to RM 364,000 compared with a corresponding quarter profit of RM310,000 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 decreased from RM85.73 million to RM67.01 million in the second quarter of 2015.

The Group recorded a loss before tax of RM8.30 million for the current quarter as compared to profit before tax of RM5.51 million in the immediate preceding quarter. The negative results in the immediate preceding quarter arose from continuing concessions given to MAS.

3. Current year prospects**In-Flight Catering and related services**

The meals volume revenue from Malaysia Airlines System Bhd (MAS) is expected to be consistent with the previous period. However, the profit margins from the activities may be affected due to the implementation of the new catering agreement effective from 1st September 2015. Revenue from foreign airlines are however expected to improve due to incoming new airline clients in the third quarter 2015.

In the non-inflight catering business, we are embarking into operating airport lounges commencing with Emirates Lounge and Malindo Lounge. We are also currently looking into operating café outlets at private universities and providing hot meals/refreshments on board the KTM ETS (Electronic Train System).

Food and Beverage

The performance of the F&B segment for the second quarter 2015 continues to show signs of a turnaround and losses are expected to be narrowed gradually in the coming quarters after implementation of its turnaround plan.

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

3. Prospects (Continued)

Logistics and related services

The logistics segment is expected to continue its stable business trend in its warehousing services and forwarding business and is contributing positively to the Group.

KLIA1

With the contract extension for three years to 2018 at KLIA, Dewina Host will continue to operate two outlets of one of the world's leading food service brands i.e. Burger King, One outlet is located in KLIA Satellite Building which accommodates international flights and a larger unit located at the landside of Arrivals Main Terminal Building. Other additional brands are, two outlets at the Check-in level landside: Café Barbera, a Malaysian branded coffee house with an International franchise brand and Kopitime, an Asian-based café concept; and one on the Mezzanine departure level Food Paradise, a restaurant offering a range of hot and cold Malaysian food. With the renewal of the above contracts Dewina Host is expected to make minor refurbishments to the outlets before the end of this year.

KLIA2

Dewina Host operates the Urban Food Court located at the airside of international departures offering nine (9) F&B concepts with Asian and International cuisine. Currently there are Six (6) concepts operational, Burger King, The Chicken Rice Shop, Noodles and Yong Tau Foo, Beverage Station and Taste of India and Hot Wok. Based on the current food offerings and promotions to draw awareness, the revenue is expected to show greater improvement from the Urban Food Court concept. The most premium location in the Urban Food Court is expected to open by end of September and will definitely result in a higher capture of passengers.

4. 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.

Brahim's Holdings Berhad

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

Appendix II

Additional information required by the Bursa Malaysia's Listing Requirements

5. Taxation

	Individual Quarter 3 months ended 30 June		Cumulative Quarters 6 months ended 30 June	
	2015 RM'000 (Unaudited)	2014 RM'000 (Unaudited)	2015 RM'000 (Unaudited)	2014 RM'000 (Unaudited)
Current tax:				
-for the financial period	40	2,397	92	6,417
Deferred taxation				
-for the current financial period	60	150	60	300
	<u>100</u>	<u>2,547</u>	<u>152</u>	<u>6,717</u>

The effective tax rate on the Group's loss before tax for the financial period ended 30 June 2015 arises from the consolidated effects. Current year, the statutory tax rate reduced from 25% to 24% from the immediate year of assessment.

6. Status of corporate proposal

No applicable as the Company does not have any corporate proposal announced and yet to be completed.

7. Borrowings

	30.06.2015 RM'000 (Unaudited)	31.12.2014 RM'000 (Audited)
a) Short term borrowings		
Secured		
- Term loans	10,716	18,466
- Hire purchase and lease payables	76	71
Unsecured		
- Former shareholder of BACH	10,022	10,022
	<u>20,814</u>	<u>28,559</u>
b) Long term borrowings		
Secured		
- Term loans	131,750	131,750
- Hire purchase and lease payables	137	51
	<u>131,887</u>	<u>131,801</u>
	<u>152,701</u>	<u>160,360</u>

The above borrowings are denominated in Ringgit Malaysia.

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

8. Changes in material litigation

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

9. Dividend

No dividend has been proposed in respect of the current financial year.

10. (Loss)/Earnings per share

		Individual Quarter		Cumulative Quarters	
		3 months ended		6 months ended	
		30.6.15	30.6.14	30.6.15	30.6.14
Basic earnings per share					
(Loss)/Profit attributable to ordinary equity holders of the parent company	(RM'000)	(6,813)	1,562	(3,972)	5,719
Weighted average number of ordinary shares in issue	('000)	236,285	236,285	236,285	232,250
Basic earnings per share	(Sen)	(2.88)	0.66	(1.68)	2.46

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)
(Incorporated in Malaysia)

Appendix II

Additional information required by the Bursa Malaysia's Listing Requirements

11. Notes to the Statement of Comprehensive Income

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

	Current Quarter 3-months ended RM'000 (Unaudited)	Cumulative 6-months ended RM'000 (Unaudited)
Audit fee	77	154
Depreciation and amortisation	4,788	7,730
Directors' remuneration	538	1,078
Hire of equipment	72	77
Interest expense	2,513	4,944
Rental of buildings	5,846	11,695
Rental of lease land	7	14
Staff costs	17,423	38,596
Gain on foreign exchange	(35)	(35)
Interest income	(71)	(155)
Rental income	-	(1)

12. Realised and Unrealised Profits/(Losses) Disclosures

The accumulated losses as at 30 June 2015 and 31 December 2014 were analysed as follows:-

	30.06.15 RM'000 (Unaudited)	31.12.14 RM'000 (Audited)
Total accumulated losses of the Company and its subsidiaries		
- Realised	(5,176)	49,435
- Unrealised	9,841	(41,226)
	<u>4,665</u>	<u>8,209</u>
Add: Consolidation Adjustments	(30,325)	(29,897)
Total group losses as per consolidated statements	<u>(25,660)</u>	<u>(21,688)</u>

13. Authorisation for Issue

The interim financial statement was duly approved by the Board of Directors at the board meeting held on 27 August 2015.