

# **Brahim's Holdings Berhad**

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

## **Interim Financial Report 31 March 2016**

# Brahim's Holdings Berhad

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

## Condensed Consolidated Statement Of Comprehensive Income For The Quarter Ended 31 March 2016

	Individual Quarter		Cumulative Quarters	
	3 months ended 31 March		3 months ended 31 March	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Continuing Operations</b>				
Revenue	60,451	85,726	60,451	85,726
Cost of Sales	(26,052)	(35,889)	(26,052)	(35,889)
<b>Gross Profit</b>	<b>34,399</b>	<b>49,837</b>	<b>34,399</b>	<b>49,837</b>
Other income	322	266	322	266
Administrative expenses	(35,460)	(40,305)	(35,460)	(40,305)
Other expenses	(1,286)	(1,571)	(1,286)	(1,571)
<b>(Loss)/Profit from operations</b>	<b>(2,025)</b>	<b>8,227</b>	<b>(2,025)</b>	<b>8,227</b>
Finance costs	(2,268)	(2,437)	(2,268)	(2,437)
Share of results of jointly controlled entities	(239)	(279)	(239)	(279)
<b>(Loss)/Profit before taxation</b>	<b>(4,532)</b>	<b>5,511</b>	<b>(4,532)</b>	<b>5,511</b>
Income tax expense	(228)	(52)	(228)	(52)
<b>(Loss)/Profit after taxation</b>	<b>(4,760)</b>	<b>5,459</b>	<b>(4,760)</b>	<b>5,459</b>
<b>(Loss)/Profit attributable to:</b>				
- Owners of the Company	(5,026)	2,841	(5,026)	2,841
- Non Controlling Interest	266	2,618	266	2,618
	(4,760)	5,459	(4,760)	5,459
<b>Total comprehensive income attributable to:-</b>				
- Owners of the Company	(5,026)	2,841	(5,026)	2,841
- Non Controlling Interest	266	2,618	266	2,618
	(4,760)	5,459	(4,760)	5,459
<b>(Loss)/Earnings per share (sen) attributable to the owners of the Company</b>				
Basic	(2.13)	1.20	(2.13)	1.20
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 2015.

# Brahim's Holdings Berhad

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

## Condensed Consolidated Statement Of Financial Position As At 31 March 2016

	As At 31.03.2016 RM'000 (Unaudited)	As At 31.12.2015 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	56,045	58,364
Investment in a Joint Venture	20,858	21,097
Intangible assets	-	-
Goodwill on consolidation	294,311	294,311
Deferred tax assets	12,393	12,417
	<u>383,607</u>	<u>386,189</u>
<b>Current Assets</b>		
Inventories	5,565	7,066
Trade receivables	38,865	45,249
Other receivables, deposits and prepayments	40,206	12,155
Tax recoverable	13,060	12,916
Amount owing by joint venture companies	25	39
Fixed deposits with a licensed bank	1,654	1,707
Cash and bank balances	32,401	12,084
	<u>131,776</u>	<u>91,216</u>
<b>TOTAL ASSETS</b>	<u>515,383</u>	<u>477,405</u>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity attributable to equity holders</b>		
Share capital	236,285	236,285
Share premium	31,981	31,981
Accumulated losses	(68,464)	(37,368)
<b>Shareholders' Equity</b>	<u>199,802</u>	<u>230,898</u>
Non Controlling Interest	187,504	27,045
<b>Total Equity</b>	<u>387,306</u>	<u>257,943</u>
<b>Non-Current Liabilities</b>		
Long-term borrowings	79,971	116,349
Deferred tax liabilities	1	1
	<u>79,972</u>	<u>116,350</u>
<b>Current Liabilities</b>		
Trade payables	27,371	33,667
Other payables and accruals	13,639	40,065
Short-term borrowings	4,932	27,218
Provision for taxation	268	65
Bank overdrafts	1,895	2,097
	<u>48,105</u>	<u>103,112</u>
<b>Total Liabilities</b>	<u>128,077</u>	<u>219,462</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>515,383</u>	<u>477,405</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015.

# Brahim's Holdings Berhad

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

## Condensed Consolidated Statement Of Changes In Equity For The Year Ended 31 March 2016

	< 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 2016	236,285	31,981	(37,368)	230,898	27,045	257,943
(Dilution)/accretion in share of total net assets			(26,070)	(26,070)	160,193	134,123
Total comprehensive income	-	-	(5,026)	(5,026)	266	(4,760)
At 31 March 2016	<u>236,285</u>	<u>31,981</u>	<u>(68,464)</u>	<u>199,802</u>	<u>187,504</u>	<u>387,306</u>
At 1 January 2015	236,285	31,981	(21,688)	246,578	26,783	273,361
Total comprehensive income	-	-	2,841	2,841	2,618	5,459
At 31 March 2015	<u>236,285</u>	<u>31,981</u>	<u>(18,847)</u>	<u>249,419</u>	<u>29,401</u>	<u>278,820</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015.

# Brahim's Holdings Berhad

(Company No. 82731-A)  
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## Condensed Consolidated Statement Of Cash Flows For The Financial Year Ended 31 March 2016

	3 months ended	
	As at 31.03.2016 (Unaudited) RM'000	As at 31.03.2015 (Unaudited) RM'000
<b>Operating activities</b>		
(Loss)/Profit before tax	(4,532)	5,511
<b>Adjustment for:-</b>		
Allowance for impairment loss on goodwill	-	2,942
Amortisation and depreciation	2,806	-
Interest expense	1,856	2,431
Interest income	(163)	(84)
Loss/(Gain) on disposal of property, plant and equipment	23	-
Share of results in joint ventures	239	278
Operating profit before working capital changes	229	11,078
(Increase)/Decrease in inventories	1,502	554
(Increase)/Decrease in receivables	2,433	14,651
Increase/(Decrease) in payables	(28,599)	(3,215)
Cash generated from/(used in) operations	(24,435)	23,068
Interest paid	(1,856)	(2,431)
Tax paid	(123)	(3,325)
<b>Net cash generated from/(used to) operating activities</b>	<b>(26,414)</b>	<b>17,312</b>
<b>Investing activities</b>		
Advances from/(Repayment to) a joint venture	14	16
Interest income	163	84
Withdrawal/(Placement) of deposits pledged with licensed banks	(5)	4,953
Proceeds from disposal of property, plant and equipment	4	-
Proceeds from divestment in a subsidiary	110,000	-
Purchase of plant and equipment	(514)	-
Purchase of property, plant and equipment and intangibles assets	-	(6,615)
<b>Net cash used in investing activities</b>	<b>109,662</b>	<b>(1,562)</b>
<b>Financing activities</b>		
Repayment of bank borrowings	(62,750)	-
Repayment of lease and hire-purchase	(37)	(17)
<b>Net cash (used to)/generated from financing activities</b>	<b>(62,787)</b>	<b>(17)</b>
Net increase in cash and cash equivalents	20,461	15,734
<b>Cash and cash equivalents at the beginning of financial year</b>	<b>10,196</b>	<b>11,100</b>
<b>Cash and cash equivalents at the end of financial period</b>	<b>30,657</b>	<b>26,834</b>
<b>Cash, bank balances and fixed deposits with licensed banks</b>	<b>34,055</b>	<b>30,827</b>
<b>Bank overdrafts</b>	<b>(1,895)</b>	<b>(2,496)</b>
<b>Deposits pledged to licensed banks</b>	<b>(1,503)</b>	<b>(1,497)</b>
	<b>30,657</b>	<b>26,834</b>

# **Brahim's Holdings Berhad**

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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 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 2015. 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 11, Accounting for Acquisitions of interests in Joint Operations

Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception

Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative

Amendments to MFRS 116 and MFRS 138 : Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants

Amendments to MFRS 127 (2011) : Equity Method in Separate Financial Statements

Annual Improvements to MFRSs 2012 – 2014 Cycle

The adoption of the above accounting standards and interpretations is expected to have no material impact on the financial statements to the Group.

# **Brahim's Holdings Berhad**

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

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### **3. Auditors' Report**

There was no qualification on the audited financial statements for the financial year ended 31 December 2015.

### **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 31 March 2016.

# 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 31 March		Cumulative Quarters 3 months ended 31 March	
	2016 RM '000 (Unaudited)	2015 RM '000 (Unaudited)	2016 RM '000 (Unaudited)	2015 RM '000 (Unaudited)
<b>Segment Revenue</b>				
Revenue from continuing operations:				
In-flight catering & related services	58,201	83,201	58,201	83,201
Logistics and related services	1,865	1,812	1,865	1,812
Trading	-	4	-	4
Food and beverage	309	646	309	646
Holding Company	76	63	76	63
Total revenue including inter-segment revenue	60,451	85,726	60,451	85,726
Elimination of inter-segment revenue	-	-	-	-
Total revenue from continuing operations	60,451	85,726	60,451	85,726
<b>Segment results</b>				
Results from continuing operations:				
In-flight catering & related services	969	8,826	969	8,826
Logistics and related services	261	223	261	223
Trading	(4)	(9)	(4)	(9)
Food and beverage	(303)	(249)	(303)	(249)
Sugar refinery	(5)	(79)	(5)	(79)
Holding Company	(2,943)	(485)	(2,943)	(485)
Operating (loss)/profits from continuing operations	(2,025)	8,227	(2,025)	8,227
Finance costs	(2,268)	(2,437)	(2,268)	(2,437)
Share of results from Joint Venture	(239)	(279)	(239)	(279)
(Loss)/Profit before taxation	(4,532)	5,511	(4,532)	5,511
Income tax expense	(228)	(52)	(228)	(52)
(Loss)/Profit after taxation	(4,760)	5,459	(4,760)	5,459



# Brahim's Holdings Berhad

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## Notes To The Interim Financial Report

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### 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 was no material event subsequent to the end of the current quarter.

### 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

	<b>31.03.2016</b> <b>RM'000</b> (Unaudited)	<b>31.12.2015</b> <b>RM'000</b> (Unaudited)
Approved and contracted for :-		
Property, plant and equipment	-	124
Intangible assets	425	959
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# Brahim's Holdings Berhad

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## Notes To The Interim Financial Report

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### 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.

	<b>3-months ended 31.03.2016 RM '000 (Unaudited)</b>	<b>3-months ended 31.03.2015 RM '000 (Unaudited)</b>
Management fees received/receivable from a joint venture	(76)	(62)
Professional fee payable to a related party	215	-

# **Brahim's Holdings Berhad**

(Company No. 82731-A)  
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## **Interim Financial Report 31 March 2016**

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

**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 the first quarter 2016, the Group recorded a 29.49% reduction in revenue to RM60.45 million compared with the corresponding period in 2015 of RM85.73 million.

The Group recorded a pre-tax loss of RM4.53 million in the current quarter as compared to a pre-tax profit of RM5.51 million in the corresponding quarter of the previous year. The lower revenue and pre-tax loss were from lower meal offtake during the period.

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 continued to show a decline quarter on quarter and also when compared to the corresponding quarter in the previous year. The revenue for the current quarter was lower by RM25.00 million or 30.05%, closing at RM58.20 million compared with a revenue of RM83.20 million in the corresponding quarter of the previous year.

Current quarter's segmental earning from operations was RM0.97 million compared with profits of RM8.83 million from operations in the same quarter of the previous year.

**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 RM309,000 which was 52.17% or RM337,000 lower than the revenue of RM646,000 on the corresponding quarter of the previous year.

Current quarter's operations continued to show losses of RM303,000 against a corresponding quarter of the previous year of RM223,000 arising from closure of one outlet for renovation for a period of four weeks.

**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 the logistics and related services segment remains on track. It registered a 3.04% improvement in revenue to RM1.87 million compared to RM1.81 million in the corresponding quarter of the previous year. The warehouse occupancy rate continued to remain stable.

Segmental profit for the quarter was RM 261,000 compared with the corresponding quarter profit of RM223,000 in the previous year arising from certain cost savings by the Company.

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

Compared to the immediate preceding quarter's results, the Group's revenue reported a decrease from RM64.09 million to RM60.45 million in the first quarter of 2016.

The Group recorded a loss before tax of RM4.53 million for the first quarter as compared to a loss before tax of RM1.25 million in the immediate preceding quarter.

**3. Current year prospects**

**In-Flight Catering and related services**

The Q2 2016 outlook for the in-flight catering division is expected to be positive mainly due to the improvement in flights and meals from a major customer, MAB. The menu enhancement for economy class resulted in higher revenue. Revenue from other foreign carriers also continues to show improvement. To manage the rising cost, management will continue cost saving initiatives that has been implemented last year as part of our business survival plan in 2016.

**Food and Beverage**

The performance of the F&B segment for the first quarter 2016 continues to show signs of a operational losses are expected to be narrowed gradually in the near future since the implementation of cost saving measures.

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

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**3. Prospects (Continued)**

Logistics and related services

The logistics segment is expected to maintain their business level and to continue its positive contribution to the Group.

**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.

**5. Taxation**

	<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31 March</b>		<b>31 March</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current tax:				
-for the financial period	203	52	203	52
-underprovision in prior years	-	-	-	-
Deferred taxation				
-for the current financial period	25	-	25	-
	<u>228</u>	<u>52</u>	<u>228</u>	<u>52</u>

The Group's effective tax rate is higher than statutory tax rate due to certain expenses being disallowed for tax purposes.

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

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**6. Status of corporate proposal**

- (i) On 5 February 2016, the conditional binding offer from SATS Investments Pte Ltd (a wholly-owned subsidiary of SATS Ltd), which set out an offer to acquire from the Company, 490,000 ordinary shares of RM1.00 each representing 49% of the total issued and fully paid up ordinary shares in Brahim's Airline Catering Holdings Sdn. Bhd. was completed following the fulfillment of the Conditions Precedent, Conditions to Completion and payment by the Purchaser of the Base Consideration of RM110.0 million to Brahim's Holdings Berhad ("BHB") (in accordance with the terms of the Share Sale Agreement. Upon completion of the disposal, the Group retained 51% control over the equity interests in the subsidiary and continues to exert management and Board control.
- (ii) On 15 April 2016, the Company via its 70% owned subsidiary, Brahim's Airline Catering Sdn Bhd (BAC) which was renamed to Brahim's SATS Food Services Sdn. Bhd. entered into an MOU with 7-Eleven Malaysia Sdn. Bhd. for the supply of various chilled and packaged ready-to-eat meals.

**7. Borrowings**

	<b>31.03.2016</b> <b>RM'000</b> (Unaudited)	<b>31.12.2015</b> <b>RM'000</b> (Audited)
<b>a) Short term borrowings</b>		
Secured		
- Term loans	4,882	27,132
- Hire purchase and lease payables	50	86
	<u>4,932</u>	<u>27,218</u>
<b>b) Long term borrowings</b>		
Secured		
- Term loans	79,872	116,250
- Hire purchase and lease payables	99	99
	<u>79,971</u>	<u>116,349</u>
	<u>84,903</u>	<u>143,567</u>

The above borrowings are denominated in Ringgit Malaysia.

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

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**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**

		<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
		<b>3 months ended</b>		<b>year ended</b>	
		<b>31.03.16</b>	<b>31.03.15</b>	<b>31.03.16</b>	<b>31.03.15</b>
<b>Basic earnings per share</b>					
(Loss)/Profit attributable to ordinary equity holders of the parent company	(RM'000)	(5,026)	2,841	(5,026)	2,841
Weighted average number of ordinary shares in issue	('000)	236,285	236,285	236,285	236,285
Basic earnings per share	(Sen)	(2.13)	1.20	(2.13)	1.20

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

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## Appendix II

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

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

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

	<b>3-months ended 31 March 2016 RM'000 (Unaudited)</b>	<b>3-months ended 31 March 2015 RM'000 (Unaudited)</b>
Depreciation and amortisation	2,806	2,942
Interest expense	1,856	2,431
Loss of disposal of PPE	23	-
(Gain)/loss on realised foreign exchange	(73)	-
Loss on unrealised foreign exchange	-	-
Interest income	(163)	(84)

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

The accumulated losses were analysed as follows:-

	<b>31.03.2016 RM'000 (Unaudited)</b>	<b>31.12.2015 RM'000 (Audited)</b>
Total accumulated losses of the Company and its subsidiaries		
- Realised	(19,655)	(17,794)
- Unrealised	12,620	12,008
	<u>(7,035)</u>	<u>(5,786)</u>
Add: Consolidation Adjustments	(61,429)	(31,582)
Total group losses as per consolidated statements	<u><u>(68,464)</u></u>	<u><u>(37,368)</u></u>

#### 13. Authorisation for Issue

The interim financial statement was duly approved by the Board of Directors at the board meeting held on 25 May 2016.