

# **Brahim's Holdings Berhad**

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

## **Interim Financial Report 30 September 2016**

# Brahim's Holdings Berhad

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

## Condensed Consolidated Statement Of Comprehensive Income For The Quarter Ended 30 September 2016

	Individual Quarter		Cumulative Quarters	
	3 months ended 30 September		9 months ended 30 September	
	2016 RM'000 (Unaudited)	2015 RM'000 (Unaudited)	2016 RM'000 (Unaudited)	2015 RM'000 (Unaudited)
<b>Continuing Operations</b>				
Revenue	71,947	64,876	193,872	217,689
Cost of Sales	(30,556)	(33,185)	(84,349)	(101,942)
<b>Gross Profit</b>	<b>41,391</b>	<b>31,691</b>	<b>109,523</b>	<b>115,747</b>
Other income	197	156	805	626
Administrative expenses	(38,039)	(38,098)	(109,836)	(117,093)
Other expenses	(2,416)	(1,328)	(5,627)	(4,101)
<b>(Loss)/Profit from operations</b>	<b>1,133</b>	<b>(7,579)</b>	<b>(5,135)</b>	<b>(4,821)</b>
Finance costs	(1,728)	(2,533)	(6,016)	(7,511)
Share of results of jointly controlled entities	124	(23)	(404)	(490)
<b>(Loss)/Profit before taxation</b>	<b>(471)</b>	<b>(10,135)</b>	<b>(11,555)</b>	<b>(12,822)</b>
Income tax expense	(30)	(565)	(288)	(717)
<b>(Loss)/Profit after taxation</b>	<b>(501)</b>	<b>(10,700)</b>	<b>(11,843)</b>	<b>(13,539)</b>
<b>(Loss)/Profit attributable to:</b>				
- Owners of the Company	(1,288)	(8,633)	(12,109)	(12,605)
- Non Controlling Interest	787	(2,067)	266	(934)
	(501)	(10,700)	(11,843)	(13,539)
<b>Total comprehensive income attributable to:-</b>				
- Owners of the Company	(1,288)	(8,633)	(12,109)	(12,605)
- Non Controlling Interest	787	(2,067)	266	(934)
	(501)	(10,700)	(11,843)	(13,539)
<b>(Loss)/Earnings per share (sen) attributable to the owners of the Company</b>				
Basic	(0.55)	(3.65)	(5.12)	(5.33)
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 30 September 2016

	As At 30.09.2016 RM'000 (Unaudited)	As At 31.12.2015 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	52,457	58,364
Investment in a Joint Venture	20,183	21,097
Intangible assets	-	-
Goodwill on consolidation	294,311	294,311
Deferred tax assets	12,333	12,417
	<u>379,284</u>	<u>386,189</u>
<b>Current Assets</b>		
Inventories	5,990	7,066
Trade receivables	43,728	45,249
Other receivables, deposits and prepayments	41,279	12,155
Tax recoverable	11,622	12,916
Amount owing by joint venture companies	26	39
Fixed deposits with a licensed bank	6,692	1,707
Cash and bank balances	23,006	12,084
	<u>132,343</u>	<u>91,216</u>
<b>TOTAL ASSETS</b>	<u>511,627</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	(75,547)	(37,368)
<b>Shareholders' Equity</b>	<u>192,719</u>	<u>230,898</u>
Non Controlling Interest	187,504	27,045
<b>Total Equity</b>	<u>380,223</u>	<u>257,943</u>
<b>Non-Current Liabilities</b>		
Long-term borrowings	78,205	116,349
Deferred tax liabilities	1	1
	<u>78,206</u>	<u>116,350</u>
<b>Current Liabilities</b>		
Trade payables	29,197	33,667
Other payables and accruals	17,607	40,065
Short-term borrowings	4,473	27,218
Provision for taxation	268	65
Bank overdrafts	1,653	2,097
	<u>53,198</u>	<u>103,112</u>
<b>Total Liabilities</b>	<u>131,404</u>	<u>219,462</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>511,627</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)  
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## Condensed Consolidated Statement Of Changes In Equity For The Year Ended 30 September 2016

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	< 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	-	-	(12,109)	(12,109)	266	(11,843)
At 30 September 2016	<u>236,285</u>	<u>31,981</u>	<u>(75,547)</u>	<u>192,719</u>	<u>187,504</u>	<u>380,223</u>
At 1 January 2015	236,285	31,981	(21,688)	246,578	26,783	273,361
Total comprehensive income	-	-	(12,605)	(12,605)	(934)	(13,539)
At 30 September 2015	<u>236,285</u>	<u>31,981</u>	<u>(34,293)</u>	<u>233,973</u>	<u>25,849</u>	<u>259,822</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 30 September 2016

	9 months ended	
	As at 30.09.2016 (Unaudited) RM'000	As at 30.09.2015 (Unaudited) RM'000
<b>Operating activities</b>		
(Loss)/Profit before tax	(11,555)	(12,822)
<b>Adjustment for:-</b>		
Amortisation and depreciation	8,124	8,989
Interest expense	4,394	7,482
Interest income	(442)	(207)
Loss/(Gain) on disposal of property, plant and equipment	23	-
Share of results in joint ventures	404	490
Operating profit before working capital changes	948	3,932
(Increase)/Decrease in inventories	1,077	594
(Increase)/Decrease in receivables	(1,235)	43,042
Increase/(Decrease) in payables	(24,962)	(9,351)
Cash generated from/(used in) operations	(24,172)	38,217
Interest paid	(4,394)	(7,482)
Tax paid	(953)	(9,726)
<b>Net cash generated from/(used to) operating activities</b>	<b>(29,519)</b>	<b>21,009</b>
<b>Investing activities</b>		
Investment in JV	-	(51)
Advances from/(Repayment to) a joint venture	13	16
Interest income	442	207
Dividends from JV	510	51
Withdrawal/(Placement) of deposits pledged with licensed banks	(5)	(1,497)
Proceeds from disposal of property, plant and equipment	4	-
Proceeds from divestment in a subsidiary	110,000	-
Purchase of plant and equipment	(2,244)	(8,214)
<b>Net cash used in investing activities</b>	<b>108,720</b>	<b>(9,488)</b>
<b>Financing activities</b>		
Dividend paid to non-controlling interest	-	(6,002)
Repayment of bank borrowings	(63,250)	(7,750)
Proceed from lease and hire-purchase	480	130
Repayment of lease and hire-purchase	(85)	(67)
<b>Net cash (used to)/generated from financing activities</b>	<b>(62,855)</b>	<b>(13,689)</b>
Net increase in cash and cash equivalents	16,346	(2,168)
<b>Cash and cash equivalents at the beginning of financial year</b>	<b>10,196</b>	<b>17,550</b>
<b>Cash and cash equivalents at the end of financial period</b>	<b>26,542</b>	<b>15,382</b>
<b>Cash, bank balances and fixed deposits with licensed banks</b>	<b>29,698</b>	<b>19,097</b>
<b>Bank overdrafts</b>	<b>(1,653)</b>	<b>(2,218)</b>
<b>Deposits pledged to licensed banks</b>	<b>(1,503)</b>	<b>(1,497)</b>
	<b>26,542</b>	<b>15,382</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 30 September 2016.

# Brahim's Holdings Berhad

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

### 9. Segmental reporting

	Individual Quarter		Cumulative Quarters	
	3 months ended		9 months ended	
	30 September		30 September	
	2016	2015	2016	2015
	RM '000	RM '000	RM '000	RM '000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Segment Revenue</b>				
Revenue from continuing operations:				
In-flight catering & related services	69,851	62,275	187,329	209,861
Logistics and related services	1,782	1,961	5,469	5,643
Trading	-	-	-	5
Food and beverage	232	562	846	1,805
Holding Company	82	78	228	375
Total revenue including inter-segment revenue	71,947	64,876	193,872	217,689
Elimination of inter-segment revenue	-	-	-	-
Total revenue from continuing operations	71,947	64,876	193,872	217,689
<b>Segment results</b>				
Results from continuing operations:				
In-flight catering & related services	3,119	(6,524)	1,821	(2,679)
Logistics and related services	32	314	555	901
Trading	(2)	(6)	(18)	(20)
Food and beverage	(312)	(255)	(930)	(705)
Sugar refinery	(57)	(107)	(82)	(331)
Holding Company	(1,647)	(1,001)	(6,481)	(1,987)
Operating (loss)/profits from continuing operations	1,133	(7,579)	(5,135)	(4,821)
Finance costs	(1,728)	(2,533)	(6,016)	(7,511)
Share of results from Joint Venture	124	(23)	(404)	(490)
(Loss)/Profit before taxation	(471)	(10,135)	(11,555)	(12,822)
Income tax expense	(30)	(565)	(288)	(717)
(Loss)/Profit after taxation	(501)	(10,700)	(11,843)	(13,539)



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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>30.09.2016</b> <b>RM'000</b> (Unaudited)	<b>31.12.2015</b> <b>RM'000</b> (Unaudited)
Approved and contracted for :-		
Property, plant and equipment	1,027	124
Intangible assets	-	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.

	Individual Quarter 3 months ended 30 September		Cumulative Quarters 9 months ended 30 September	
	2016 RM'000 (Unaudited)	2015 RM'000 (Unaudited)	2016 RM'000 (Unaudited)	2015 RM'000 (Unaudited)
Management fees received/receivable from a joint venture	(82)	(62)	(229)	(124)
Professional fee payable to a related party	-	-	605	219

# **Brahim's Holdings Berhad**

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## **Interim Financial Report 30 September 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 third quarter 2016, the Group recorded a 10.88% increase in revenue to RM71.95 million compared with the corresponding period in 2015 of RM64.89 million.

The Group recorded a pre-tax loss of RM0.47 million in the current quarter as compared to a pre-tax loss of RM10.14 million in the corresponding quarter of the previous year. This quarter the performance was better due to menu enhancement by MAB.

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 improvement quarter on quarter and also when compared to the corresponding quarter in the previous year. The revenue for the current quarter was increased by RM7.57 million or 12.15%, closing at RM69.85 million compared with a revenue of RM62.28 million in the corresponding quarter of the previous year.

Current quarter's segmental operations profit was RM3.12 million compared with a loss of RM6.52 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 RM232,000 which was 58.72% or RM330,000 lower than the revenue of RM562,000 on the corresponding quarter of the previous year.

Current quarter's operations continued to show losses of RM312,000 against a corresponding quarter of the previous year of RM255,000 arising from lower revenue generated by restaurant.

## **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 reduction of 9.13%, which was RM179,000 in revenue to RM1.782 million compared to RM1.961 million in the corresponding quarter of the previous year. The warehouse occupancy rate continued to remain stable.

Segmental profit for the quarter was RM 32,000 compared with the corresponding quarter profit of RM314,000 in the previous year arising from reduced in revenue and slightly increase of overhead as a whole.

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

Compared to the immediate preceding quarter's results, the Group's revenue reported a increase from RM10.47 million to RM71.95 million in the third quarter of 2016.

The Group recorded a loss before tax of RM0.471 million for the third quarter as compared to a loss before tax of RM6.552 million in the immediate preceding quarter.

### **3. Current year prospects**

#### **In-Flight Catering and related services**

The Q4 2016 outlook for the in-flight catering division is expected to be positive, in view of higher demand normally during school holiday period at year ending besides menu enhancement for economy class which took effect from May 2016 and the business class took effect from July 2016 for main customer, MAB. Revenue from other foreign carriers continues to show improvement. To manage the rising cost, management will continue with the cost saving initiatives that has been implemented since last year as part of our business survival plan in 2016.

#### **Food and Beverage**

The performance of the F&B segment continues to show signs of a operational losses are expected to be narrowed gradually in the near future.

**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>9 months ended</b>	
	<b>30 September</b>		<b>30 September</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	-	475	203	627
-underprovision in prior years	-	-	-	-
Deferred taxation				
-for the current financial period	30	90	85	90
	<u>30</u>	<u>565</u>	<u>288</u>	<u>717</u>

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

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## Appendix II

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

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#### 6. Status of corporate proposal

The Group is not engaged in any corporate proposal as at the date of this report.

#### 7. Borrowings

	<b>30.09.2016</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	4,402	27,132
- Hire purchase and lease payables	71	86
	<u>4,473</u>	<u>27,218</u>
<b>b) Long term borrowings</b>		
Secured		
- Term loans	77,695	116,250
- Hire purchase and lease payables	510	99
	<u>78,205</u>	<u>116,349</u>
	<u>82,678</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**

There were no significant changes in material litigation during the period under review.

**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>period ended</b>	
		<b>30.09.16</b>	<b>30.09.15</b>	<b>30.09.16</b>	<b>30.09.15</b>
<b>Basic earnings per share</b>					
(Loss)/Profit attributable to ordinary equity holders of the parent company	(RM'000)	(1,288)	(8,633)	(12,109)	(12,605)
Weighted average number of ordinary shares in issue	('000)	236,285	236,285	236,285	236,285
Basic earnings per share	(Sen)	(0.55)	(3.65)	(5.12)	(5.33)

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.



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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>9-months ended 30 September 2016 RM'000 (Unaudited)</b>	<b>9-months ended 30 September 2015 RM'000 (Unaudited)</b>
Depreciation and amortisation	8,124	8,989
Interest expense	4,394	7,482
Loss of disposal of PPE	23	-
(Gain)/loss on realised foreign exchange	(121)	45
Loss on unrealised foreign exchange	-	-
Interest income	(442)	(207)

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

The accumulated losses were analysed as follows:-

	<b>30.09.2016 RM'000 (Unaudited)</b>	<b>31.12.2015 RM'000 (Audited)</b>
Total accumulated losses of the Company and its subsidiaries		
- Realised	(26,077)	(17,794)
- Unrealised	12,602	12,008
	<u>(13,475)</u>	<u>(5,786)</u>
Add: Consolidation Adjustments	(62,072)	(31,582)
Total group losses as per consolidated statements	<u><u>(75,547)</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 22 November 2016.