

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

**Interim Financial Report**  
**31 December 2016**

# Brahim's Holdings Berhad

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

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

	Individual Quarter		Cumulative Quarters	
	3 months ended		12 months ended	
	31 December		31 December	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>				
Revenue	72,493	63,606	266,365	281,295
Cost of Sales	(62,525)	(60,289)	(146,874)	(162,231)
<b>Gross Profit</b>	<b>9,968</b>	<b>3,317</b>	<b>119,491</b>	<b>119,064</b>
Other income	1,029	775	1,834	1,401
Administrative expenses	(5,916)	1,628	(115,752)	(115,465)
Other expenses	(111,367)	(3,701)	(116,994)	(7,802)
<b>(Loss)/profit from operations</b>	<b>(106,286)</b>	<b>2,019</b>	<b>(111,421)</b>	<b>(2,802)</b>
Finance costs	(3,015)	(2,927)	(9,031)	(10,438)
<b>Share of results of jointly controlled entities</b>	<b>35</b>	<b>(291)</b>	<b>(369)</b>	<b>(781)</b>
<b>Loss before taxation</b>	<b>(109,266)</b>	<b>(1,199)</b>	<b>(120,821)</b>	<b>(14,021)</b>
<b>Income tax expense</b>	<b>(1,314)</b>	<b>(680)</b>	<b>(1,602)</b>	<b>(1,397)</b>
<b>Loss after taxation</b>	<b>(110,580)</b>	<b>(1,879)</b>	<b>(122,423)</b>	<b>(15,418)</b>
<b>(Loss)/profit attributable to:</b>				
- Owners of the Company	(62,849)	(3,075)	(74,958)	(15,680)
- Non Controlling Interest	(47,731)	1,196	(47,465)	262
	(110,580)	(1,879)	(122,423)	(15,418)
<b>Total comprehensive (loss)/income attributable to:-</b>				
- Owners of the Company	(62,849)	(3,075)	(74,958)	(15,680)
- Non Controlling Interest	(47,731)	1,196	(47,465)	262
	(110,580)	(1,879)	(122,423)	(15,418)
<b>Loss per share (sen) attributable to the owners of the Company</b>				
Basic	(26.60)	(1.30)	(31.72)	(6.64)
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 December 2016

	As At 31.12.2016 RM'000 (Unaudited)	As At 31.12.2015 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	51,996	58,364
Investment in a Joint Venture	19,729	21,097
Intangible assets	4,248	11,748
Goodwill on consolidation	190,963	282,563
Deferred tax assets	11,765	12,417
	<u>278,701</u>	<u>386,189</u>
<b>Current Assets</b>		
Inventories	6,126	7,066
Trade receivables	45,615	45,249
Other receivables, deposits and prepayments	10,122	12,155
Tax recoverable	11,349	12,916
Amount owing by joint venture companies	32	39
Fixed deposits with a licensed bank	6,777	1,707
Cash and bank balances	23,366	12,084
	<u>103,387</u>	<u>91,216</u>
<b>TOTAL ASSETS</b>	<u><u>382,088</u></u>	<u><u>477,405</u></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	(162,519)	(37,368)
<b>Shareholders' Equity</b>	<u>105,747</u>	<u>230,898</u>
Non Controlling Interest	139,773	27,045
<b>Total Equity</b>	<u>245,520</u>	<u>257,943</u>
<b>Non-Current Liabilities</b>		
Long-term borrowings	74,187	116,349
Deferred tax liabilities	1	1
	<u>74,188</u>	<u>116,350</u>
<b>Current Liabilities</b>		
Trade payables	38,235	33,667
Other payables and accruals	16,550	40,065
Short-term borrowings	5,995	27,218
Provision for taxation	65	65
Bank overdrafts	1,535	2,097
	<u>62,380</u>	<u>103,112</u>
<b>Total Liabilities</b>	<u>136,568</u>	<u>219,462</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>382,088</u></u>	<u><u>477,405</u></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)

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

---

	< Non - Distributable >		< Distributable >		Non-Controlling	Total
	Share Capital	Share Premium	Accumulated losses	Total	Interest	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	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			(50,193)	(50,193)	160,193	110,000
Total comprehensive income	-	-	(74,958)	(74,958)	(47,465)	(122,423)
At 31 December 2016	<u>236,285</u>	<u>31,981</u>	<u>(162,519)</u>	<u>105,747</u>	<u>139,773</u>	<u>245,520</u>
At 1 January 2015	236,285	31,981	(21,688)	246,578	26,783	273,361
Total comprehensive income	-	-	(15,680)	(15,680)	262	(15,418)
At 30 December 2015	<u>236,285</u>	<u>31,981</u>	<u>(37,368)</u>	<u>230,898</u>	<u>27,045</u>	<u>257,943</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)  
(Incorporated in Malaysia)

## Unaudited Condensed Consolidated Statement Of Cash Flows For The Financial Year Ended 31 December 2016

	12 months ended	
	As at 31.12.2016 RM'000	As at 31.12.2015 RM'000
<b>Operating activities</b>		
<b>Loss before tax</b>	(120,821)	(14,021)
<b>Adjustment for:-</b>		
Allowance for impairment loss on receivables	2,958	749
Allowance for impairment loss on goodwill	91,600	-
Allowance for impairment loss on intangible assets	7,500	-
Amortisation and depreciation	10,479	11,926
Bad-debt written off	-	44
Interest expense	9,031	10,412
Interest income	(603)	(479)
Inventories written off	99	90
Loss/(gain) on disposal of property, plant and equipment	23	(12)
Provision for material litigation	6,900	-
Share of results in joint ventures	369	781
Unrealised loss on foreign exchange	-	677
Write-back of allowance for impairment loss on receivables	-	(8)
Operating profit before working capital changes	7,535	10,159
(Increase)/decrease in inventories	841	369
(Increase)/decrease in receivables	278	37,753
Increase/(decrease) in payables	(25,849)	(17,673)
Cash generated from/(used in) operations	(17,195)	30,608
Interest paid	(9,031)	(10,175)
Tax paid	(953)	(9,765)
<b>Net cash generated from/(used in) operating activities</b>	<b>(27,179)</b>	<b>10,668</b>
<b>Investing activities</b>		
Investment in joint venture	-	(51)
Advances from/(repayment to) a joint venture	7	(2)
Interest income	603	479
Dividends from joint venture	1,000	51
Withdrawal/(placement) of deposits pledged with licensed banks	(5)	4,952
Proceeds from disposal of property, plant and equipment	4	37
Proceeds from divestment in a subsidiary	110,000	-
Purchase of plant and equipment	(4,138)	(9,174)
<b>Net cash generated from/(used in) investing activities</b>	<b>107,471</b>	<b>(3,708)</b>
<b>Financing activities</b>		
Drawdown of bank borrowings	-	7,750
Repayment of bank borrowings	(63,750)	(15,500)
Proceed from lease and hire-purchase	480	-
Repayment of lease and hire-purchase	(113)	(114)
<b>Net cash (used in)/generated from financing activities</b>	<b>(63,383)</b>	<b>(7,864)</b>
Net increase/(decrease) in cash and cash equivalents	16,909	(904)
<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 year</b>	<b>27,105</b>	<b>10,196</b>
<b>Cash, bank balances and fixed deposits with licensed banks</b>	<b>30,143</b>	<b>13,791</b>
<b>Bank overdrafts</b>	<b>(1,535)</b>	<b>(2,097)</b>
<b>Deposits pledged to licensed banks</b>	<b>(1,503)</b>	<b>(1,498)</b>
	<b>27,105</b>	<b>10,196</b>

# **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 information 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 information 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.

The accounting policies and methods of computation adopted for the condensed consolidated interim financial information are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2015 except for the adoption of the following amendments to the MFRSs:-

##### **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 : Investment Entities – Applying the Consolidation Exception

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

Amendments to MFRS 127 : Equity Method in Separate Financial Statements

Annual Improvements to MFRSs 2012 – 2014 Cycle

The adoption of the above accounting standards and interpretations do not have any material impact on the condensed consolidated interim financial information 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 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.

### **8. Dividends paid**

No dividend was paid during the current quarter ended 31 December 2016.

# Brahim's Holdings Berhad

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

## Notes To The Interim Financial Report

### 9. Segmental reporting

	Individual Quarter		Cumulative Quarters	
	3 months ended		12 months ended	
	31 December		31 December	
	2016	2015	2016	2015
	RM '000	RM '000	RM '000	RM '000
<b>Segment Revenue</b>				
Revenue from continuing operations:				
In-flight catering & related services	70,442	61,244	257,771	271,105
Logistics and related services	1,806	1,989	7,275	7,632
Trading	-	1	-	6
Food and beverage	158	492	1,004	2,297
Holding Company	87	(120)	315	255
Total revenue including inter-segment revenue	72,493	63,606	266,365	281,295
Elimination of inter-segment revenue	-	-	-	-
Total revenue from continuing operations	72,493	63,606	266,365	281,295
<b>Segment results</b>				
Results from continuing operations:				
In-flight catering & related services	4,961	4,749	6,782	2,070
Logistics and related services	(586)	314	(31)	1,215
Trading	(11)	(4)	(29)	(24)
Food and beverage	(715)	(1,899)	(1,645)	(2,604)
Sugar refinery	(15)	(152)	(97)	(483)
Holding Company	(109,920)	(989)	(116,401)	(2,976)
Operating (loss)/profit from continuing operations	(106,286)	2,019	(111,421)	(2,802)
Finance costs	(3,015)	(2,927)	(9,031)	(10,438)
Share of results from Joint Venture	35	(291)	(369)	(781)
Loss before taxation	(109,266)	(1,199)	(120,821)	(14,021)
Income tax expense	(1,314)	(680)	(1,602)	(1,397)
Loss after taxation	(110,580)	(1,879)	(122,423)	(15,418)



# **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 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.

### **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>31.12.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Approved and contracted for :-		
Property, plant and equipment	88	-
Upgrading of electrical works	-	142
Intangible assets	309	959
	<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.

	Individual Quarter		Cumulative Quarters	
	3 months ended		12 months ended	
	31 December		31 December	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Management fees received/receivable from a joint venture	(87)	(65)	(315)	(256)
Professional fee payable to a related party	-	-	(605)	219

# **Brahim's Holdings Berhad**

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

## **Interim Financial Report 31 December 2016**

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**

In the final quarter of 2016, the Group recorded a 13.96% increase in revenue to RM72.49 million compared with the corresponding period in 2015 of RM63.61 million.

The Group recorded a pre-tax loss of RM109.27 million in the current quarter as compared to a pre-tax loss of RM1.20 million in the corresponding quarter of the previous year. The substantial losses are attributed to a one off allowance for impairment loss on goodwill and intangible assets amounting to RM91.60 million and RM7.50 million respectively.

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

**In-flight catering and related services**

The performance of in-flight catering and related revenue in the services continues to show improvement quarter on quarter and also when compared to the revenue in the corresponding year. Revenue for the current quarter increased by RM9.20 million or 15.03%, closing at RM70.44 million compared with a revenue of RM61.24 million in the previous quarter.

Current quarter segmental operating profit showed marginal improvement at RM4.96 million compared with RM4.75 million in the same previous quarter.

**Food and Beverage ("F&B")**

Performance of the F&B segment for this financial year was lower than the corresponding year. Revenue for the current quarter was RM0.16 million which was 67.89% or RM0.33 million lower than the revenue of RM0.49 million of the corresponding quarter of the previous year.

Current quarter operating loss showed a lower loss of RM0.71 million against the previous year quarter of RM1.9 million.

**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 challenging. It registered a revenue reduction of 9.20%, or RM0.18 million down to RM1.81 million as compared to RM1.99 million in the corresponding quarter. Whilst, the warehouse occupancy rate continued to remain stable, its operating costs have increased due to higher maintenance and upkeep.

Segmental results for the quarter was a loss of RM0.59 million compared with the corresponding year's quarter profit of RM0.31 million, mainly due to an additional provision relating to a sub-lease asset.

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

Compared to the immediate preceding quarter's results, the Group's revenue reported an increase from RM71.95 million to RM72.49 million in the final quarter of 2016.

The Group recorded a loss before tax of RM109.26 million for this quarter as compared to a loss before tax of RM0.50 million in the immediate preceding quarter.

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

The Q1 2017 outlook for the in-flight catering division is expected to remain positive, in view of revenue improvement from Malaysia Airline Berhad ("MAB") and other foreign carriers. To manage its cost, management will continue with the cost saving initiatives which were implemented last year as part of its business survival plan.

**Food and Beverage**

The performance of the F&B segment continues to show operational losses but have shown signs of improvement.

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

---

**3. Prospects (Continued)**Logistics and related services

The logistics segment continues to maintain its business volume and is relooking into its operations to streamline its cost structure.

**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**

	Individual Quarter		Cumulative Quarters	
	3 months ended		12 months ended	
	31 December		31 December	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Current tax:				
-for the financial period	950	-	950	74
Deferred taxation	364	680	652	1,323
	<u>1,314</u>	<u>680</u>	<u>1,602</u>	<u>1,397</u>

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

# Brahim's Holdings Berhad

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

## Appendix II

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

---

#### 6. Status of corporate proposal

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

#### 7. Borrowings

	31.12.2016 RM'000	31.12.2015 RM'000
<b>a) Short term borrowings</b>		
Secured		
- Term loans	5,879	27,132
- Hire purchase and lease payables	116	86
	<u>5,995</u>	<u>27,218</u>
<b>b) Long term borrowings</b>		
Secured		
- Term loans	73,750	116,250
- Hire purchase and lease payables	437	99
	<u>74,187</u>	<u>116,349</u>
	<u>80,182</u>	<u>143,567</u>
The above borrowings are denominated in are as follows:-		
Ringgit Malaysia	76,303	139,685
United States Dollar	3,879	3,882
	<u>80,182</u>	<u>143,567</u>

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

---

**8. Changes in material litigation**

On 24 February 2017, further to the Company's announcement dated 15 June 2016, the Board of Directors of Brahim's Holdings Berhad ("BHB") announced that the High Court of Sabah and Sarawak at Kuching had delivered its judgement on 17 February 2017 in favour of the Plaintiff, Hock Seng Lee Berhad, with judgement sum of RM6.94 million and cost of RM6,000. Admuda Sdn. Bhd., the 60% subsidiary of BHB will submit an appeal to the Court of Appeal against the judgement of High Court of Sabah and Sarawak.

**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>31.12.16</b>	<b>31.12.15</b>	<b>31.12.16</b>	<b>31.12.15</b>
<b>Basic earnings per share</b>					
Loss attributable to ordinary equity holders of the parent company	(RM'000)	(62,849)	(3,075)	(74,958)	(15,680)
Weighted average number of ordinary shares in issue	('000)	236,285	236,285	236,285	236,285
Basic loss per share	(Sen)	(26.60)	(1.30)	(31.72)	(6.64)

The calculation of basic loss per share for the respective periods is arrived at by dividing the net loss attributable to ordinary shareholders by the weighted average number of ordinary shares issued during the financial period.



# 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

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

	<b>12-months ended 31 December 2016 RM'000</b>	<b>12-months ended 31 December 2015 RM'000</b>
Depreciation and amortisation	10,479	11,926
Interest expense	9,031	10,412
Loss/(gain) of disposal of property, plant and equipment	23	(12)
Loss on realised foreign exchange	159	90
Unrealised loss on foreign exchange	-	677
Interest income	(603)	(479)

---

---

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

The accumulated losses were analysed as follows:-

	<b>31.12.2016 RM'000</b>	<b>31.12.2015 RM'000</b>
Total accumulated losses of the Company and its subsidiaries		
- Realised	(52,579)	(17,794)
- Unrealised	10,970	12,008
	<u>(41,609)</u>	<u>(5,786)</u>
Add: Consolidation Adjustments	(120,910)	(31,582)
Total group losses as per consolidated statements	<u>(162,519)</u>	<u>(37,368)</u>

#### 13. Authorisation for Issue

The interim financial information was duly approved by the Board of Directors on 28 February 2017.