

Brahim's Holdings Berhad

(Company No. 198201002985 [82731-A])
(Incorporated in Malaysia)

Interim Financial Report 31 March 2020

Brahim's Holdings Berhad

(Company No. 198201002985 [82731-A])

(Incorporated in Malaysia)

Unaudited Condensed Consolidated Statement Of Comprehensive Income For The Quarter Ended 31 March 2020

	31-Mar			31-Mar		
	2020	2019	Changes	2020	2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Continuing Operations						
Revenue	57,984	70,254	-17.47%	57,984	70,254	-17.47%
Cost of Sales	(25,500)	(28,389)		(25,500)	(28,389)	
Gross Profit	<u>32,484</u>	<u>41,865</u>		<u>32,484</u>	<u>41,865</u>	
Other income	205	287		205	287	
Administrative expenses	(40,034)	(41,210)		(40,034)	(41,210)	
Other expenses	(2,071)	(2,454)		(2,071)	(2,454)	
(Loss)/Profit from operations	<u>(9,416)</u>	<u>(1,512)</u>	-522.75%	<u>(9,416)</u>	<u>(1,512)</u>	-522.75%
Finance costs	(1,567)	(1,403)		(1,567)	(1,403)	
Share of results of jointly controlled entities	-	431		-	431	
(Loss) before taxation	<u>(10,983)</u>	<u>(2,484)</u>	-342.15%	<u>(10,983)</u>	<u>(2,484)</u>	-342.15%
Income tax expense	(70)	(100)		(70)	(100)	
Zakat	-	-		-	-	
(Loss) after taxation	<u>(11,053)</u>	<u>(2,584)</u>	-327.75%	<u>(11,053)</u>	<u>(2,584)</u>	-327.75%
(Loss)/Profit attributable to:						
- Owners of the Company	(11,463)	(2,221)	-416.12%	(11,463)	(2,221)	-416.12%
- Non Controlling Interests	410	(363)	-212.95%	410	(363)	-212.95%
	<u>(11,053)</u>	<u>(2,584)</u>	-327.75%	<u>(11,053)</u>	<u>(2,584)</u>	-327.75%
Total comprehensive (loss)/income attributable to:-						
- Owners of the Company	(11,463)	(2,221)		(11,463)	(2,221)	
- Non Controlling Interest	410	(363)		410	(363)	
	<u>(11,053)</u>	<u>(2,584)</u>		<u>(11,053)</u>	<u>(2,584)</u>	
Loss per share (RM) attributable to the owners of the Company						
Basic	(4.27)	(0.83)		(4.27)	(0.83)	
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 2019.

Brahim's Holdings Berhad

(Company No. 198201002985 [82731-A])

(Incorporated in Malaysia)

Condensed Consolidated Statement Of Financial Position As At 31 March 2020

	As At 31.03.2020 RM'000 (Unaudited)	As At 31.12.2019 RM'000 (Audited)
ASSETS		
Non Current Assets		
Property, plant and equipment	61,195	67,783
Intangible assets	(489)	(801)
Goodwill on consolidation	102,354	102,354
Deferred tax assets	9,677	9,704
	<u>172,737</u>	<u>179,040</u>
Current Assets		
Inventories	7,362	8,096
Trade receivables	54,319	56,601
Other receivables, deposits and prepayments	2,324	7,262
Tax recoverable	791	2,872
Amount owing by related companies	90	87
Fixed deposits with a licensed bank	11,585	11,585
Cash and bank balances	22,078	33,140
	<u>98,549</u>	<u>119,643</u>
TOTAL ASSETS	<u>271,286</u>	<u>298,683</u>
EQUITY & LIABILITIES		
Equity attributable to equity holders		
Share capital	268,266	268,266
Accumulated losses	(259,435)	(247,881)
Shareholders' Equity	8,831	20,385
Non Controlling Interest	91,245	90,830
Total Equity	<u>100,076</u>	<u>111,215</u>
Non-Current Liabilities		
Trade payables	1,354	1,354
Long-term borrowings	5,810	3,792
	<u>7,164</u>	<u>5,146</u>
Current Liabilities		
Trade payables	41,441	45,065
Other payables and accruals	23,277	30,741
Short-term borrowings	84,968	92,190
Amount due to related company	865	865
Provision for Contigent Liabilities	6,000	6,000
Advances from a Director	6,889	6,889
Provision for taxation	42	8
Provision for zakat	564	564
	<u>164,046</u>	<u>182,322</u>
Total Liabilities	<u>171,210</u>	<u>187,468</u>
TOTAL EQUITY AND LIABILITIES	<u>271,286</u>	<u>298,683</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.03	0.08

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019.

Brahim's Holdings Berhad

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Unaudited Condensed Consolidated Statement Of Changes In Equity For The Year Ended 31 March 2020

	Share Capital	Accumulated	Total	Non-Controlling	Total
	RM'000	losses	RM'000	Interest	RM'000
		RM'000		RM'000	
At 1 January 2020	268,266	(247,881)	20,385	90,830	111,215
Total comprehensive loss	-	(11,554)	(11,554)	415	(11,139)
At 31 March 2020	268,266	(259,435)	8,831	91,245	100,076
At 1 January 2019	268,266	(232,528)	35,738	88,977	124,715
Total comprehensive loss	-	(15,353)	(15,353)	1,853	(13,500)
At 31 December 2019	268,266	(247,881)	20,385	90,830	111,215

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019.

Brahim's Holdings Berhad

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Unaudited Condensed Consolidated Statement Of Cash Flows For The Financial Year Ended 31 March 2020

	3 months ended	
	As at 31.03.2020 (Unaudited) RM'000	As at 31.03.2019 (Unaudited) RM'000
Operating activities		
Profit/(Loss) before tax	(10,983)	(2,484)
Adjustment for:-		
Amortisation and depreciation	1,997	1,935
Interest expense	332	132
Interest income	(102)	(180)
Share of results in joint ventures	-	(431)
Operating profit before working capital changes	(8,756)	(1,028)
(Increase)/Decrease in inventories	734	1,454
(Increase)/Decrease in receivables	7,131	(7,532)
Increase/(Decrease) in intercompany balances	(3)	(130)
Increase/(Decrease) in payables	(5,476)	7,423
Cash generated from/(used in) operations	(6,370)	187
Interest paid	(332)	(132)
Tax refund/(paid)	2,081	-
Net cash generated from/(used to) operating activities	(4,621)	55
Investing activities		
Interest income	102	180
Withdrawal/(Placement) of deposits pledged with licensed banks	31	167
Purchase of plant and equipment	(788)	(2,053)
Net cash used in investing activities	(655)	(1,706)
Financing activities		
Repayment of term loans	(3,500)	-
Repayment of lease and hire-purchase	(2,255)	(4,140)
Net cash (used to)/generated from financing activities	(5,755)	(4,140)
Net increase in cash and cash equivalents	(11,031)	(5,791)
Cash and cash equivalents at the beginning of financial year	42,845	12,217
Cash and cash equivalents at the end of financial period	31,814	6,426
Cash, bank balances and fixed deposits with licensed banks	33,663	8,554
Bank overdrafts	-	(415)
Deposits pledged to licensed banks	(1,849)	(1,713)
	31,814	6,426

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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 2019. 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 accounting policies and methods of computation adopted for the condensed interim financial information are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2019 except for the adoption of the following with effect from 1 January 2020:

Amendments to MFRS 3	Business Combinations
Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement

The initial application of the new MFRS does not have any material impact to the financial results of the Group for the current period and prior periods, other than as disclosed below:

MFRS 16: Leases

MFRS 16 'Leases' supersedes MFRS 117 'Leases' and the related interpretations. Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group and the Company currently assessing all of the Group's leasing arrangements in light of the new lease accounting rules in MFRS 16. The standard will affect primarily the accounting for the Group's operating leases, which comprise mainly the operating leases for land and building. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

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2. Changes in Accounting Policies (continued)

MFRS and amendments to MFRSs and IC Interpretations that are applicable to the Group but not yet effective

The Malaysian Accounting Standards Board had issued the following new standards, amendments to MFRSs and IC Interpretation which are effective for the financial period beginning on or after 1 January 2023. The Group did not early adopt these new standards, amendments to MFRSs and IC Interpretation.

Effective date 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 1	First-time Adoption of MFRS
Amendments to MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 107	Statements of Cash Flows
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 119	Employee Benefits
Amendments to MFRS 128	Investments in Associates & Joint Ventures
Amendments to MFRS 136	Impairment of Assets
Amendments to MFRS 138	Intangible Assets

3. Auditors' Report

There was qualified opinion with emphasis matter on going concern on the audited financial statements for the financial year ended 31 December 2019.

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 quarter.

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Notes To The Interim Financial Report

7. Segmental reporting

	Individual Quarter			Cumulative Quarters		
	3 months ended			3 months ended		
	31 March			31 March		
	2020	2019	Changes	2020	2019	Changes
	RM '000	RM '000		RM '000	RM '000	
	(Unaudited)	(Unaudited)	%	(Unaudited)	(Unaudited)	%
Segment Revenue						
Revenue from continuing operations:						
In-flight catering & related services	55,996	68,410	-18%	55,996	68,410	-18%
Logistics and related services	1,989	1,748	14%	1,989	1,748	14%
Holding Company	-	96	-100%	-	96	-100%
Total revenue including inter-segment revenue	<u>57,985</u>	<u>70,254</u>	-17%	<u>57,985</u>	<u>70,254</u>	-17%
Segment results						
Results from continuing operations:						
In-flight catering & related services	(9,483)	(1,004)	-845%	(9,483)	(1,004)	
Logistics and related services	290	5	5700%	290	5	
Trading	(8)	(12)	33%	(8)	(12)	
Food and beverage	(8)	(22)	64%	(8)	(22)	
Sugar refinery	(3)	(3)	0%	(3)	(3)	
Holding Company	<u>(545)</u>	<u>(476)</u>	-14%	<u>(545)</u>	<u>(476)</u>	
Operating (loss)/profits from continuing operations	(9,757)	(1,512)	-545%	(9,757)	(1,512)	-545%
Finance costs	(1,340)	(1,403)		(1,340)	(1,403)	
Share of results from Joint Venture	-	431		-	431	
(Loss)/Profit before taxation	<u>(11,097)</u>	<u>(2,484)</u>	-347%	<u>(11,097)</u>	<u>(2,484)</u>	-347%
Income tax (expense)/credit	(42)	(100)		(42)	(100)	
Zakat	-	-		-	-	
(Loss)/Profit after taxation	<u>(11,139)</u>	<u>(2,584)</u>	-331%	<u>(11,139)</u>	<u>(2,584)</u>	-331%

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Notes To The Interim Financial Report

8. Debt and equity securities

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

9. Dividends paid

No dividend was paid during the current quarter ended 31 March 2020.

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

There 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

	31.03.2020 RM'000	31.03.2019 RM'000
Approved and contracted for :-		
Property, plant and equipment	168	380
Computer software	234	-

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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		3 months ended	
	31 March		31 March	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Management fees received/ receivable from a joint venture	-	96	-	96

16. Derivative

The company did not issue or enter and capitalise any gain or losses with regards to derivative issued or subscribed.

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Interim Financial Report

31 March 2020

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 first quarter of 2020, the Group recorded a 17.46% decrease in revenue to RM57.99 million compared with the corresponding period in 2019 of RM70.25 million.

The Group recorded a pre-tax loss of RM10.98 million in the current quarter as compared to a pre-tax loss of RM2.48 million in the corresponding quarter of the previous year.

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

In-flight catering and related services

Due to pandemic crisis of Covid-19, the performance of in-flight catering and related revenue in the services show decreasing trend when compared to the revenue in the corresponding year. Revenue for the current quarter decreased by RM12.414 million or 18%, closing at RM55.996 million compared with a revenue of RM68.41 million in the same quarter last year.

This segment recorded from operating losses of RM9.48 million as compared to a loss of RM1.0 million for the same quarter last year, a decrease by 845%.

Logistics and related services

Current quarter's revenue contributed by the logistics and related services segment has been back on track. Its registered a improvement in revenue of 14%, or RM241,000 higher to RM1.99 million as compared to RM1.75 million in the corresponding quarter last year. The warehouse occupancy rate continued to remain stable. Nevertheless, management realise the potential for this business to grow even further.

Segmental results for the quarter was a profit of RM290,000, an increase by 5700% compared with the corresponding quarter in last year of RM5,000.

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

2. Comparison with immediate preceding quarter's result

Compared to the immediate preceding quarter's results, the Group's revenue reported an decrease from RM83.91 million to RM57.99 million, an decrease of RM25.92 million or 30.9%.

The Group recorded a loss before tax of RM11.05 million for this quarter as compared to a loss before tax of RM9.1 million in the immediate preceding quarter.

3. Current year prospects

In-Flight Catering and related services

The Corona Virus or Covid-19 which hit the world in early to mid February have changed the landscape of the market entirely especially aviation and hospitality industries.

In-Flight catering division is expected to record a loss in Quarter 2 2020 as due to this Covid-19 implication. Most of the airlines had cancelled their flights with the Government instruction for Movement Control Order started in mids March.

It is expected for the aviation and hospitality industries to be able to recover in Quarter 4 2020.

Logistics and related services

The logistics segment continues to maintain its business volume and contribute positively to the group's financial position. This segment looking into expending business models and expending its operations, to streamline the cost structure become positive. This segment will continue the effort to acquire new customers and businesses to increase the revenue stream.

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.

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Appendix II

Additional information required by the Bursa Malaysia's Listing Requirements

5. Taxation

	Individual Quarter 3 months ended 31 March		Cumulative Quarters 3 months ended 31 March	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current tax:				
-for the financial period/year	(43)	(115)	(43)	(115)
Deferred taxation	(27)	15	(27)	15
	<u>(70)</u>	<u>(100)</u>	<u>(70)</u>	<u>(100)</u>

The Group's effective tax rate is lower than statutory tax rate due to certain expenses being disallowed for tax purposes and deferred tax assets recognised for some entities within the Group.

6. Status of corporate proposal

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

7. Borrowings

	31.03.2020 RM'000	31.12.2019 RM'000
a) Short term borrowings		
Secured		
- Term loans	74,908	77,184
- Hire purchase and lease payables	10,060	15,006
	<u>84,968</u>	<u>92,190</u>
b) Long term borrowings		
Secured		
- Term loans	-	-
- Hire purchase and lease payables	5,810	3,792
	<u>5,810</u>	<u>3,792</u>
	<u>90,778</u>	<u>95,982</u>
The above borrowings are denominated in the following currencies:-		
- Ringgit Malaysia	87,124	92,328
- United States Dollar	3,654	3,654
	<u>90,778</u>	<u>95,982</u>

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

8. Changes in material litigation

No new update since last reporting date.

9. Dividend

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

10. Earning/(Loss) per share

		Individual Quarter		Cumulative Quarters	
		3 months ended		3 months ended	
		31.03.20	31.03.19	31.03.20	31.03.19
Basic earning/(loss) per share					
Earning/(Loss) attributable to owners of the company	(RM'000)	(11,463)	(2,221)	(11,463)	(2,221)
Weighted average number of ordinary shares in issue	('000)	268,266	268,266	268,266	268,266
Basic (loss) per share	(Sen)	(4.27)	(0.83)	(4.27)	(0.83)

The calculation of basic (loss) per share for the respective periods is arrived at by dividing the earning/(loss) attributable owners of the Company by the weighted average number of ordinary shares issued during the financial period/year.

There is no disclosure on diluted loss per share as there were no potential ordinary shares outstanding at the end of the reporting period/year.

11. Authorisation for Issue

The interim financial information was duly approved by the Board of Directors on 26 June 2020.