

# **Brahim's Holdings Berhad**

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

## **Interim Financial Report 30 June 2020**

# Brahim's Holdings Berhad

(Company No. 198201002985 [82731-A])

(Incorporated in Malaysia)

## Unaudited Condensed Consolidated Statement Of Comprehensive Income For The Quarter Ended 30 June 2020

	Individual Quarter			Cumulative Quarters		
	3 months ended			6 months ended		
	30-Jun			30-Jun		
	2020	2019	Changes	2020	2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Continuing Operations</b>						
Revenue	8,062	74,045	-89.11%	66,046	144,299	-54.23%
Cost of Sales	(3,752)	(30,530)		(29,252)	(58,919)	
<b>Gross Profit</b>	<b>4,310</b>	<b>43,515</b>		<b>36,794</b>	<b>85,380</b>	
Other income	526	402		731	689	
Administrative expenses	(27,027)	(40,762)		(67,061)	(81,972)	
Other expenses	(1,484)	(2,759)		(3,555)	(5,213)	
<b>(Loss)/Profit from operations</b>	<b>(23,675)</b>	<b>396</b>	<b>-6078.54%</b>	<b>(33,091)</b>	<b>(1,116)</b>	<b>-2865.14%</b>
Finance costs	(1,595)	(1,426)		(3,162)	(2,829)	
<b>Share of results of jointly controlled entities</b>						
	-	150		-	581	
<b>(Loss) before taxation</b>	<b>(25,270)</b>	<b>(880)</b>	<b>-2771.59%</b>	<b>(36,253)</b>	<b>(3,364)</b>	<b>-977.68%</b>
Income tax expense	(51)	(173)		(121)	(273)	
Zakat	-	-		-	-	
<b>(Loss) after taxation</b>	<b>(25,321)</b>	<b>(1,053)</b>	<b>-2304.65%</b>	<b>(36,374)</b>	<b>(3,637)</b>	<b>-900.11%</b>
<b>(Loss)/Profit attributable to:</b>						
- Owners of the Company	(3,420)	(1,190)	-187.39%	(14,883)	(3,411)	-336.32%
- Non Controlling Interests	(21,901)	137	-16086.13%	(21,491)	(226)	9409.29%
	(25,321)	(1,053)	-2304.65%	(36,374)	(3,637)	-900.11%
<b>Total comprehensive (loss)/income attributable to:-</b>						
- Owners of the Company	(3,420)	(1,190)		(14,883)	(3,411)	
- Non Controlling Interest	(21,901)	137		(21,491)	(226)	
	(25,321)	(1,053)		(36,374)	(3,637)	
<b>Loss per share (RM) attributable to the owners of the Company</b>						
Basic	(1.27)	(0.44)		(5.55)	(1.27)	
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 30 June 2020

	As At 30.06.2020 RM'000 (Unaudited)	As At 31.12.2019 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	54,952	66,982
Goodwill on consolidation	102,354	102,354
Deferred tax assets	9,526	9,704
	<u>166,832</u>	<u>179,040</u>
<b>Current Assets</b>		
Inventories	6,084	8,096
Trade receivables	38,190	57,216
Other receivables, deposits and prepayments	3,373	6,647
Tax recoverable	1,026	2,872
Amount owing by related companies	171	87
Fixed deposits with a licensed bank	11,585	17,643
Cash and bank balances	9,398	27,082
	<u>69,827</u>	<u>119,643</u>
<b>TOTAL ASSETS</b>	<u>236,659</u>	<u>298,683</u>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity attributable to equity holders</b>		
Share capital	268,266	268,266
Accumulated losses	(262,764)	(247,881)
<b>Shareholders' Equity</b>	<u>5,502</u>	<u>20,385</u>
Non Controlling Interest	69,339	90,830
<b>Total Equity</b>	<u>74,841</u>	<u>111,215</u>
<b>Non-Current Liabilities</b>		
Other payables	7,354	1,353
Long-term borrowings	4,098	3,792
	<u>11,452</u>	<u>5,145</u>
<b>Current Liabilities</b>		
Trade payables	30,729	36,063
Other payables and accruals	17,299	32,844
Short-term borrowings	81,077	92,190
Amount due to related company	860	865
Advances from a Director	6,889	6,889
Tax liabilities	50	8
Provision for zakat	562	564
Provision for Contigent Liabilities	12,900	12,900
	<u>150,366</u>	<u>182,323</u>
<b>Total Liabilities</b>	<u>161,818</u>	<u>187,468</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>236,659</u>	<u>298,683</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.02	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 30 June 2020

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	Share Capital RM'000	Accumulated losses RM'000	Total RM'000	Non-Controlling Interest RM'000	Total RM'000
At 1 January 2020	268,266	(247,881)	20,385	90,830	111,215
Total comprehensive loss	-	(14,883)	(14,883)	(21,491)	(36,374)
At 30 June 2020	268,266	(262,764)	5,502	69,339	74,841
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

(Company No. 198201002985 [82731-A])

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## Unaudited Condensed Consolidated Statement Of Cash Flows For The Financial Year Ended 30 June 2020

	6 months ended	
	As at 30.06.2020 (Unaudited) RM'000	As at 30.06.2019 (Unaudited) RM'000
<b>Operating activities</b>		
<b>Profit/(Loss) before tax</b>	(36,253)	(3,364)
<b>Adjustment for:-</b>		
Amortisation and depreciation	12,981	4,406
Interest expense	2,012	2,807
Interest income	(152)	(241)
Tax Expense	120	-
Share of results in joint ventures	-	(581)
Operating profit before working capital changes	(21,292)	3,027
(Increase)/Decrease in inventories	2,012	1,156
(Increase)/Decrease in receivables	21,893	(13,388)
Increase/(Decrease) in intercompany balances	(89)	(171)
Increase/(Decrease) in payables	(14,894)	30,663
Cash generated from/(used in) operations	(12,370)	21,287
Interest paid	565	(237)
Tax refund/(paid)	2,246	(70)
<b>Net cash generated from/(used to) operating activities</b>	<b>(9,559)</b>	<b>20,980</b>
<b>Investing activities</b>		
Interest income	152	241
Withdrawal/(Placement) of deposits pledged with licensed banks	5,857	129
Purchase of plant and equipment	(951)	(4,173)
<b>Net cash used in investing activities</b>	<b>5,058</b>	<b>(3,803)</b>
<b>Financing activities</b>		
Repayment of term loans	(3,500)	-
Repayment of lease and hire-purchase	(9,884)	(4,166)
<b>Net cash (used to)/generated from financing activities</b>	<b>(13,384)</b>	<b>(4,166)</b>
Net increase in cash and cash equivalents	(17,885)	13,011
<b>Cash and cash equivalents at the beginning of financial year</b>	<b>37,019</b>	<b>12,217</b>
<b>Cash and cash equivalents at the end of financial period</b>	<b>19,134</b>	<b>25,228</b>
<b>Cash, bank balances and fixed deposits with licensed banks</b>	<b>20,983</b>	<b>27,285</b>
<b>Bank overdrafts</b>	<b>-</b>	<b>(306)</b>
<b>Deposits pledged to licensed banks</b>	<b>(1,849)</b>	<b>(1,751)</b>
	<b>19,134</b>	<b>25,228</b>

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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 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).

# Brahim's Holdings Berhad

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## Notes To The Interim Financial Report

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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.

# Brahim's Holdings Berhad

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## Notes To The Interim Financial Report

### 7. Segmental reporting

	Individual Quarter			Cumulative Quarters		
	3 months ended			6 months ended		
	30 June			30 June		
	2020	2019	Changes	2020	2019	Changes
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	6,154	71,952	-91%	62,150	140,362	-56%
Logistics and related services	1,907	2,005	-5%	3,896	3,753	4%
Holding Company	-	88	-100%	-	184	-100%
Total revenue including inter-segment revenue	8,061	74,045	-89%	66,046	144,299	-54%
<b>Segment results</b>						
Results from continuing operations:						
In-flight catering & related services	(23,253)	743	-3230%	(32,736)	(261)	-12442%
Logistics and related services	488	112	335%	778	117	565%
Trading	(3)	(6)	52%	(11)	(18)	40%
Food and beverage	(1)	(8)	88%	(3)	(30)	90%
Sugar refinery	(3)	(13)	76%	(6)	(16)	61%
Holding Company	(568)	(432)	-32%	(1,113)	(908)	-23%
Operating (loss)/profits from continuing operations	(23,341)	396	-5994%	(33,092)	(1,116)	-2865%
Finance costs	(1,822)	(1,426)		(3,162)	(2,829)	
Share of results from Joint Venture	-	150		-	581	
(Loss) before taxation	(25,163)	(880)	-2759%	(36,254)	(3,364)	-978%
Income tax (expense)	(79)	(173)		(121)	(273)	
Zakat	-	-		-	-	
(Loss) after taxation	(25,241)	(1,053)	-2297%	(36,374)	(3,637)	-900%



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## Notes To The Interim Financial Report

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### 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 30 June 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

	30.06.2020 RM'000	30.06.2019 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

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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 June		Cumulative Quarters 6 months ended 30 June	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Management fees received/ receivable from a joint venture	-	88	-	184

### 16. Derivative

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

# **Brahim's Holdings Berhad**

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## **Interim Financial Report 30 June 2020**

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 second quarter of 2020, the Group recorded a 89.11% decrease in revenue to RM8.06 million compared with the corresponding period in 2019 of RM74.05 million.

The Group recorded a pre-tax loss of RM25.27 million in the current quarter as compared to a pre-tax loss of RM0.88 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 received big impact and show decreasing trend when compared to the revenue in the corresponding year. Revenue for the current quarter decreased by RM65.8 million or 91%, closing at RM6.15 million compared with a revenue of RM71.95 million in the same quarter last year.

This segment recorded from operating losses of RM23.25 million as compared to a loss of RM0.74 million for the same quarter last year, a decrease by 3230%.

**Logistics and related services**

Current quarter's revenue contributed by the logistics and related services segment has been maintain on track. Its registered a slightly decrease in revenue of 5%, or RM98,000 lower to RM1.91 million as compared to RM2.01 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 RM488,000, an increase by 335% compared with the corresponding quarter in last year of RM112,000.

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

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

Compared to the immediate preceding quarter's results, the Group's revenue reported an decrease from RM57.99 million to RM8.06 million, an decrease of RM49.93 million or 86.1%.

The Group recorded a loss before tax of RM25.16 million for this quarter as compared to a loss before tax of RM11.09 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 an adverse performance for full year 2020 as due to this Covid-19 implication. Even the prospect on aviation segment remain sceptical and uncertain, any policies or incentives set and announce by the government with regards to the aviation industries will certainly give positive implication to this segment.

It is expected for the aviation and hospitality industries to be able to recover progressively in the future.

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

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#### 5. Taxation

	Individual Quarter 3 months ended 30 June		Cumulative Quarters 6 months ended 30 June	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current tax:				
-for the financial period/year	72	(287)	57	(402)
Deferred taxation	(151)	114	(178)	129
	<u>(79)</u>	<u>(173)</u>	<u>(121)</u>	<u>(273)</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

	30.06.2020 RM'000	31.12.2019 RM'000
<b>a) Short term borrowings</b>		
Secured		
- Term loans	76,261	77,184
- Hire purchase and lease payables	4,816	15,006
	<u>81,077</u>	<u>92,190</u>
<b>b) Long term borrowings</b>		
Secured		
- Term loans	-	-
- Hire purchase and lease payables	4,098	3,792
	<u>4,098</u>	<u>3,792</u>
	<u>85,175</u>	<u>95,982</u>
The above borrowings are denominated in the following currencies:-		
- Ringgit Malaysia	81,521	92,328
- United States Dollar	3,654	3,654
	<u>85,175</u>	<u>95,982</u>

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## Appendix II

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

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#### 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 30.06.20	30.06.19	6 months ended 30.06.20	30.06.19
<b>Basic earning/(loss) per share</b>					
Earning/(Loss) attributable to owners of the company	(RM'000)	(3,420)	(1,190)	(14,883)	(3,411)
Weighted average number of ordinary shares in issue	('000)	268,266	268,266	268,266	268,266
Basic (loss) per share	(Sen)	(1.27)	(0.44)	(5.55)	(1.27)

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 28 August 2020.