

Brahim's Holdings Berhad

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

Interim Financial Report 31 December 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 December 2020

	Individual Quarter			Cumulative Quarters		
	3 months ended			12 months ended		
	31-Dec			31-Dec		
	2020	2019	Changes	2020	2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Continuing Operations						
Revenue	7,860	83,905	-90.63%	82,389	308,702	-73.31%
Cost of Sales	(5,264)	(35,202)		(38,673)	(128,568)	
Gross Profit	2,596	48,703		43,716	180,134	
Other income	1,147	261		2,047	3,469	
Administrative expenses	(14,366)	(41,323)		(123,305)	(164,959)	
Other expenses	(119,810)	(14,101)		(130,942)	(21,907)	
(Loss)/Profit from operations	(130,433)	(6,460)	1919.09%	(208,484)	(3,263)	6289.33%
Finance costs	(1,310)	(1,408)		(5,985)	(5,665)	
Share of results of jointly controlled entities	-	(2,144)		-	(1,222)	
(Loss)/Profit before taxation	(131,743)	(10,012)	1215.85%	(214,469)	(10,150)	-2013.00%
Income tax expense	(17,995)	(1,155)		(18,165)	(2,173)	
Zakat	-	(182)		-	(182)	
(Loss)/Profit after taxation	(149,738)	(11,349)	1219.39%	(232,634)	(12,505)	-1760.33%
(Loss)/Profit attributable to:						
- Owners of the Company	(70,422)	(13,843)	408.72%	(103,097)	(14,028)	-634.94%
- Non Controlling Interests	(79,316)	2,494	-3280.27%	(129,537)	1,523	-8605.38%
	(149,738)	(11,349)	1219.39%	(232,634)	(12,505)	-1760.33%
Total comprehensive (loss)/income attributable to:-						
- Owners of the Company	(70,422)	(13,843)		(103,097)	(14,028)	
- Non Controlling Interest	(79,316)	2,494		(129,537)	1,523	
	(149,738)	(11,349)		(232,634)	(12,505)	
Loss per share (RM) attributable to the owners of the Company						
Basic	(26.25)	(5.16)		(38.43)	(5.23)	
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])

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Condensed Consolidated Statement Of Financial Position As At 31 December 2020

	As At 31.12.2020 RM'000 (Unaudited)	As At 31.12.2019 RM'000 (Audited)
ASSETS		
Non Current Assets		
Property, plant and equipment	36,948	66,982
Goodwill on consolidation	84	102,354
Deferred tax assets	-	9,704
	<u>37,032</u>	<u>179,040</u>
Current Assets		
Inventories	3,304	8,096
Trade receivables	19,346	57,216
Other receivables, deposits and prepayments	-	6,647
Tax recoverable	799	2,872
Amount owing by related companies	20	87
Fixed deposits with a licensed bank	2,989	17,643
Cash and bank balances	8,387	27,082
	<u>34,845</u>	<u>119,643</u>
TOTAL ASSETS	<u>71,877</u>	<u>298,683</u>
EQUITY & LIABILITIES		
Equity attributable to equity holders		
Share capital	268,266	268,266
Accumulated losses	(350,978)	(247,881)
Shareholders' Equity	<u>(82,712)</u>	<u>20,385</u>
Non Controlling Interest	(38,708)	90,830
Total Equity	<u>(121,420)</u>	<u>111,215</u>
Non-Current Liabilities		
Other payables	-	1,353
Long-term borrowings	2,432	3,792
Deferred tax liabilities	8,244	-
	<u>10,676</u>	<u>5,145</u>
Current Liabilities		
Trade payables	45,149	36,063
Other payables and accruals	51,147	32,844
Short-term borrowings	78,047	92,190
Amount due to related company	827	865
Advances from a Director	6,889	6,889
Tax liabilities	-	8
Provision for zakat	562	564
Provision for Contigent Liabilities	-	12,900
	<u>182,621</u>	<u>182,323</u>
Total Liabilities	<u>193,297</u>	<u>187,468</u>
TOTAL EQUITY AND LIABILITIES	<u>71,877</u>	<u>298,683</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	(0.31)	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.

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

	Share Capital	Accumulated	Total	Non-Controlling	Total
	RM'000	losses	RM'000	Interest	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	268,266	(247,881)	20,385	90,830	111,215
Total comprehensive loss	-	(103,097)	(103,097)	(129,537)	(232,635)
At 31 December 2020	268,266	(350,978)	(82,712)	(38,708)	(121,420)
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
At 1 January 2018					
- as previously stated	268,266	(169,454)	98,812	144,542	243,354
- impact from adoption of MFRS 9	-	(1,493)	(1,493)	(1,153)	(2,646)
- as restated	268,266	(170,947)	97,319	143,389	240,708
Total comprehensive loss	-	(104,999)	(104,999)	(10,994)	(115,993)
Effect of retrospective adjustment	-	43,418	43,418	(43,418)	-
At 31 December 2019	268,266	(232,528)	35,738	88,977	124,715

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 December 2020

	12 months ended	
	As at 31.12.2020 (Unaudited) RM'000	As at 31.12.2019 (Audited) RM'000
Operating activities		
Profit/(Loss) before tax	(214,469)	(7,907)
Adjustment for:-		
Impairment losses on:		
- investment in a joint venture	-	10,237
- Goodwill	102,270	-
- trade and other receivables	-	333
- property, plant and equipment	9,809	13
Amortisation and depreciation	31,563	28,585
Interest expense	4,365	8,390
Interest income	(183)	(852)
Tax Expense	489	-
Share of results in joint ventures	-	(903)
Reversal of payables and accruals	-	(3,730)
Operating profit before working capital changes	(66,156)	34,125
(Increase)/Decrease in inventories	4,792	(645)
(Increase)/Decrease in receivables	51,968	(8,926)
Increase/(Decrease) in intercompany balances	29	-
Increase/(Decrease) in payables	5,059	9,344
Cash generated from/(used in) operations	(4,308)	33,898
Interest paid	579	(2,477)
Tax refund/(paid)	1,982	8,706
Net cash generated from/(used to) operating activities	(1,747)	40,127
Investing activities		
Repayment from/(advance to) a joint venture	-	34
Interest income	183	-
Dividends from JV	-	2,190
Withdrawal/(Placement) of deposits pledged with licensed banks	4,717	(711)
Proceeds from disposal of interest in joint venture	-	7,987
Purchase of plant and equipment	(11,338)	(4,855)
Net cash used in investing activities	(6,438)	4,645
Financing activities		
Repayment of term loans	(3,500)	-
Repayment of lease and hire-purchase	(16,947)	(20,813)
Advance from a Director	-	843
Net cash (used to)/generated from financing activities	(20,447)	(19,970)
Net increase in cash and cash equivalents	(28,632)	24,802
Cash and cash equivalents at the beginning of financial year	37,019	12,217
Cash and cash equivalents at the end of financial period	8,387	37,019
Cash, bank balances and fixed deposits with licensed banks	11,376	44,725
Deposits pledged to licensed banks	(2,989)	(7,706)
	8,387	37,019

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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 3 months ended			Cumulative Quarters 12 months ended		
	31 Dec			31 Dec		
	2020 RM '000 (Unaudited)	2019 RM '000 (Unaudited)	Changes %	2020 RM '000 (Unaudited)	2019 RM '000 (Unaudited)	Changes %
Segment Revenue						
Revenue from continuing operations:						
In-flight catering & related services	6,163	81,787	-92%	74,941	300,686	-75%
Logistics and related services	1,695	2,092	-19%	7,447	7,711	-3%
Holding Company	-	26	-100%	-	305	-100%
Total revenue including inter-segment revenue	7,858	83,905	91%	82,389	308,702	-73%
Segment results						
Results from continuing operations:						
In-flight catering & related services	(27,683)	4,997	-429%	(104,845)	7,827	-1296%
Logistics and related services	91	268	-78%	944	521	75%
Trading	(7)	(13)	48%	(32)	(37)	14%
Food and beverage	(4)	(7)	46%	(10)	(47)	79%
Sugar refinery	(7)	(3)	-116%	(25)	(29)	15%
Holding Company	(554)	(11,701)	-22%	(2,246)	(11,497)	-6%
Operating (loss)/profits from continuing operations	(28,164)	(6,460)	336%	(106,214)	(3,263)	3155%
Finance costs	(1,310)	(1,407)		(5,985)	(5,665)	
Share of results from Joint Venture	-	(2,143)		-	(1,221)	
(Loss) before taxation	(29,475)	(10,011)	194%	(112,200)	(10,150)	-1005%
Income tax (expense)	(17,994)	(1,155)		(18,165)	(2,173)	
Zakat	-	(182)		-	(182)	
(Loss) after taxation	(47,468)	(11,348)	318%	(130,364)	(12,505)	-942%

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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 December 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

	31.12.2020	31.12.2019
	RM'000	RM'000
Approved and contracted for :-		
Property, plant and equipment	172	216
Computer software	228	151

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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 31 Dec		Cumulative Quarters 12 months ended 31 Dec	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Management fees received/ receivable from a joint venture	-	26	-	305

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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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 fourth quarter of 2020, the Group recorded a 90.63% decrease in revenue to RM7.86 million compared with the corresponding period in 2019 of RM83.39 million.

The Group recorded a pre-tax loss of RM131.74 million in the current quarter as compared to a pre-tax profit of RM10.01 million in the corresponding quarter of the previous year. This huge losses was mainly due to the impairment of goodwill exercise.

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

In-flight catering and related services

Continuation from the movement control order (MCO) 2.0 by the government and increase in Covid-19 worldwide cases, international borders continue to be closed. The performance of in-flight catering and related services revenue have been severely impacted impact and hugely enfolded towards enormous decreasing trend as compared to the revenue in the corresponding year. Revenue for the current quarter decreased by RM75.6 million or 92%, closing at only RM6.16 million compared with a revenue of RM81.79 million in the same quarter last year.

This segment recorded from operating losses of RM27.68 million as compared to a profit of RM5.0 million for the same quarter last year, a decrease by 654%.

Logistics and related services

Although it is not as bad as In-flight catering, current quarter's result has been slightly reduce as compared to the corresponding quarter last year. Revenue numbers has shown some reduction of 19% from previously RM2.1 million to RM1.7 million this year. The warehouse occupancy rate have shown consistent result as per revenue where the occupancy rate has drop by 21%.

Segmental results for the quarter was still a profit but marginally at only RM91,000 as compared to the corresponding quarter in last year of RM268,000, drop of 66%

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Appendix II

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 increment from RM6.63 million to RM7.86 million, increase of RM1.23 million at 18.55%.

The Group recorded a loss before tax of RM131.74 million for this quarter as compared to a loss before tax of RM46.47 million in the immediate preceding quarter.

3. Current year prospects

In-Flight Catering and related services

Covid-19 pandemic have transformed the whole market scenario entirely especially the aviation and hospitality industries which has been brutally affected. Since March 2020, when the government first announce the MCO and then followed by MCO 2.0, the market did not show any good sign of recovery.

In-Flight catering division is expected to continue to record an adverse performance for full year 2021 as due to this Covid-19 pandemic. Prospect on aviation segment remain uncertain, even with the recent announcement by the Khazanah Malaysia as to inject RM3.6 billion into Malaysia Airlines Group and the availability of the vaccine beginning end February 2021. The aviation industry encompassed rather larger than just the national carrier and beyond the availability of the vaccine. Government support is very much needed at this critical point as just to ensure survival.

With this worst ever situation, the aviation and hospitality industries are expected to be able to recover progressively beginning Q4 2022 or Q1 2023.

Logistics and related services

The logistics segment has somehow shows some slight affect as due to the Covid-19 implication. Nevertheless, it is believe that this segment can still continues to maintain its major business strategy with minor amendments post Covid-19. This segment should be able to contribute positively to the group's financial position should the "tweak" business model successfully implemented. Regardless, this segment will continue looking into expending its operations, to streamline the cost structure to be more effective. This segment will continue the effort to acquire new customers and businesses to increase the revenue stream.

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Appendix II

Additional information required by the Bursa Malaysia's Listing Requirements

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 3 months ended 31 Dec		Cumulative Quarters 12 months ended 31 Dec	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current tax:				
-for the financial period/year	17,995	1,155	18,165	2,173
Deferred taxation	-	-	-	-
	<u>17,995</u>	<u>1,155</u>	<u>18,165</u>	<u>2,173</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

Except for the pending submission of the group regularisation scheme and plans to Bursa Malaysia by 27 August 2021, the Group is not engaged in any corporate proposal as at the date of this report.

7. Borrowings

	31.12.2020 RM'000	31.12.2019 RM'000
a) Short term borrowings		
Secured		
- Term loans	78,628	77,184
- Hire purchase and lease payables	(581)	15,006
	<u>78,047</u>	<u>92,190</u>
b) Long term borrowings		
Secured		
- Term loans	-	-
- Hire purchase and lease payables	2,432	3,792
	<u>2,432</u>	<u>3,792</u>
	<u>80,479</u>	<u>95,982</u>
The above borrowings are denominated in the following currencies:-		
- Ringgit Malaysia	76,825	92,328
- United States Dollar	3,654	3,654
	<u>80,479</u>	<u>95,982</u>

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Appendix II

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. (Loss)/Earning per share

		Individual Quarter		Cumulative Quarters	
		3 months ended		12 months ended	
		31.12.20	31.12.19	31.12.20	31.12.19
Basic earning/(loss) per share					
(Loss)/Earning attributable to owners of the company	(RM'000)	(70,422)	(13,843)	(103,097)	(14,028)
Weighted average number of ordinary shares in issue	('000)	268,266	268,266	268,266	268,266
Basic (Loss)/Earning per share	(Sen)	(26.25)	(5.16)	(38.43)	(5.23)

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 31 March 2021.