

Brahim's Holdings Berhad

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

Interim Financial Report 30 September 2021

Brahim's Holdings Berhad

(Company No. 198201002985 [82731-A])

(Incorporated in Malaysia)

Unaudited Condensed Consolidated Statement Of Comprehensive Income For The Quarter Ended 30 September 2021

	Individual Quarter			Cumulative Quarters		
	3 months ended			9 months ended		
	30-Sep			30-Sep		
	2021	2020	Changes	2021	2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Continuing Operations						
Revenue	7,270	8,484	-14.31%	20,958	74,530	-71.88%
Cost of Sales	(3,010)	(4,157)		(9,330)	(33,409)	
Gross Profit	4,260	4,327		11,628	41,121	
Other income	24	169		93	900	
Administrative expenses	(16,555)	(41,878)		(51,127)	(108,939)	
Other expenses	(506)	(7,577)		(1,653)	(11,132)	
(Loss)/Profit from operations	(12,777)	(44,959)	-71.58%	(41,059)	(78,050)	-47.39%
Finance costs	(2,285)	(1,513)		(4,989)	(4,675)	
Share of results of jointly controlled entities	-	-		-	-	
(Loss)/Profit before taxation	(15,062)	(46,472)	-67.59%	(46,048)	(82,725)	44.34%
Income tax expense	(45)	(49)		(45)	(170)	
Zakat	-	-		-	-	
(Loss)/Profit after taxation	(15,107)	(46,521)	67.53%	(46,093)	(82,895)	44.40%
(Loss)/Profit attributable to:						
- Owners of the Company	673	(17,792)	103.78%	(12,790)	(32,675)	60.86%
- Non Controlling Interests	(15,780)	(28,729)	-45.07%	(33,303)	(50,220)	-33.69%
	(15,107)	(46,521)	67.53%	(46,093)	(82,895)	44.40%
Total comprehensive (loss)/income attributable to:-						
- Owners of the Company	673	(17,792)		(12,790)	(32,675)	
- Non Controlling Interest	(15,780)	(28,729)		(33,303)	(50,220)	
	(15,107)	(46,521)		(46,093)	(82,895)	
Loss per share (RM) attributable to the owners of the Company						
Basic	0.25	(6.63)		(4.77)	(12.18)	
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 2020.

Brahim's Holdings Berhad

(Company No. 198201002985 [82731-A])

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Condensed Consolidated Statement Of Financial Position As At 30 September 2021

	As At 30.09.2021 RM'000 (Unaudited)	As At 31.12.2020 RM'000 (Audited)
ASSETS		
Non Current Assets		
Property, plant and equipment	58,650	37,620
Goodwill on consolidation	84	84
Deferred tax assets	-	-
	<u>58,734</u>	<u>37,704</u>
Current Assets		
Inventories	2,228	3,304
Trade receivables	5,613	8,519
Other receivables, deposits and prepayments	3,248	3,057
Tax recoverable	887	857
Amount owing by related parties	20	26
Fixed deposits with a licensed bank	3,319	3,319
Cash and bank balances	4,180	8,117
	<u>19,495</u>	<u>27,199</u>
TOTAL ASSETS	<u>78,229</u>	<u>64,903</u>
EQUITY & LIABILITIES		
Equity attributable to equity holders		
Share capital	279,607	268,266
Accumulated losses	<u>(367,700)</u>	<u>(354,910)</u>
Shareholders' Equity	<u>(88,093)</u>	<u>(86,644)</u>
Non Controlling Interest	<u>(73,721)</u>	<u>(40,418)</u>
Total Equity	<u>(161,814)</u>	<u>(127,062)</u>
Non-Current Liabilities		
Other payables	2,050	2,050
Long-term borrowings	1,558	2,972
Deferred tax liabilities	9,601	9,601
	<u>13,209</u>	<u>14,623</u>
Current Liabilities		
Trade payables	42,864	40,787
Other payables and accruals	52,503	37,202
Short-term borrowings	113,590	81,154
Amount due to related parties	3,899	3,793
Advances from a Director	6,461	6,889
Tax liabilities	55	55
Provision for zakat	562	562
Provision for Contigent Liabilities	6,900	6,900
	<u>226,834</u>	<u>177,342</u>
Total Liabilities	<u>240,043</u>	<u>191,965</u>
TOTAL EQUITY AND LIABILITIES	<u>78,229</u>	<u>64,903</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	(0.32)	(0.32)

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020.

Brahim's Holdings Berhad

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Unaudited Condensed Consolidated Statement Of Changes In Equity For The Year Ended 30 September 2021

	Share Capital	Accumulated	Total	Non-Controlling	Total
	RM'000	losses	RM'000	Interest	RM'000
		RM'000		RM'000	
At 1 January 2021	268,266	(354,910)	(86,644)	(40,418)	(127,062)
Issuance of share capital	11,341	-	11,341	-	11,341
Total comprehensive loss	-	(12,790)	(12,790)	(33,303)	(46,093)
At 30 September 2021	<u>279,607</u>	<u>(367,700)</u>	<u>(88,093)</u>	<u>(73,721)</u>	<u>(161,814)</u>
At 1 January 2020	268,266	(247,881)	20,385	90,830	111,215
Total comprehensive loss	-	(107,029)	(107,029)	(131,248)	(238,277)
At 31 December 2020	<u>268,266</u>	<u>(354,910)</u>	<u>(86,644)</u>	<u>(40,418)</u>	<u>(127,062)</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 2020.

Brahim's Holdings Berhad

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Unaudited Condensed Consolidated Statement Of Cash Flows For The Financial Year Ended 30 September 2021

	9 months ended	
	As at 30.09.2021 (Unaudited) RM'000	As at 30.09.2020 (Unaudited) RM'000
Operating activities		
Profit/(Loss) before tax	(46,093)	(82,725)
Adjustment for:-		
Impairment losses on:		
- goodwill	-	-
Amortisation and depreciation	15,736	20,554
Interest expense	4,989	3,304
Interest income	(16)	(183)
Tax Expense	45	170
Share of results in joint ventures	-	-
Operating profit before working capital changes	(25,339)	(58,880)
(Increase)/Decrease in inventories	1,076	3,120
(Increase)/Decrease in receivables	2,715	39,644
Increase/(Decrease) in related parties balances	112	1
Increase/(Decrease) in payables	17,378	1,778
Cash generated from/(used in) operations	(4,058)	(14,337)
Interest paid	(28)	579
Tax refund/(paid)	(75)	1,982
Net cash generated from/(used to) operating activities	(4,161)	(11,776)
Investing activities		
Interest income	16	183
Dividends from JV	-	-
Withdrawal/(Placement) of deposits pledged with licensed banks	88	88
Purchase of plant and equipment/ Recognise ROU Asset	(41,294)	(10,729)
Net cash used in investing activities	(41,190)	(10,458)
Financing activities		
Repayment of term loans	(1,200)	(3,500)
Proceeds/ (Repayment) of lease and hire-purchase	31,789	(5,325)
Repayment of Advance from Director	(428)	-
Proceeds of issuance of share capital	11,341	-
Net cash (used to)/generated from financing activities	41,502	(8,825)
Net increase in cash and cash equivalents	(3,849)	(31,059)
Cash and cash equivalents at the beginning of financial year	8,358	37,019
Cash and cash equivalents at the end of financial period	4,509	5,960
Cash, bank balances and fixed deposits with licensed banks	7,499	13,578
Bank overdrafts	-	-
Deposits pledged to licensed banks	(2,990)	(7,618)
	4,509	5,960

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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 2020. 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 2020 except for the adoption of the following with effect from 1 January 2021:

a) Amendments to published standards that are effective and applicable to the Group beginning on 1 January 2021

Amendments to MFRS 7	Financial Instruments: Disclosures	Interest Rate
Amendments to MFRS 9	Financial Instruments	Benchmark
Amendments to MFRS 16	Leases	Reform (Phase 2)
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement	

The adoption of the above applicable amendments to published standards does not have any material impact to the financial results of the Group for the current period and prior periods.

b) Early adoption of the amendments to published standards by the Group beginning on 1 January 2021

Amendment to MFRS 16: Covid-19 Related Rent Concessions beyond 30 June 2021

The Group has elected to early adopt the amendment above, with the date of initial application on 1 January 2021. This amendment had no impact to the retained earnings on 1 January 2021, and had no material impact to the financial results for the current period.

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2. Changes in Accounting Policies (continued)

c) Amendments to published standards that have been issued but not yet effective and have yet to be adopted

The amendments to published standards that have been issued but not yet effective and have not been adopted early by the Group are as follows:

Effective date 1 January 2022

Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 9	Annual Improvements to MFRS Standards 2018 - 2020

Effective date 1 January 2023

Amendments to MFRS 101	i) Classification of Liabilities as Current or Non-current ii) Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates

The adoption of the above annual improvements and amendments to published standards are not expected to have a material impact on the financial statements of the Group.

3. Auditors' Report

There was disclaimer of opinion on the audited financial statements for the financial year ended 31 December 2020.

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 9 months ended		
	30 Sept			30 Sept		
	2021 RM '000 (Unaudited)	2020 RM '000 (Unaudited)	Changes %	2021 RM '000 (Unaudited)	2020 RM '000 (Unaudited)	Changes %
Segment Revenue						
Revenue from continuing operations:						
In-flight catering & related services	5,260	6,628	-21%	15,849	68,778	-77%
Logistics and related services	2,014	1,856	9%	5,109	5,752	-11%
Holding Company	-	-		-	-	
Total revenue including inter-segment revenue	<u>7,274</u>	<u>8,484</u>	-14%	<u>20,958</u>	<u>74,530</u>	-72%
Segment results						
Results from continuing operations:						
In-flight catering & related services	(12,287)	(44,426)	-72%	(39,308)	(77,162)	-49%
Logistics and related services	336	75	348%	88	853	-90%
Trading	(17)	(14)	-21%	(35)	(25)	-40%
Food and beverage	(3)	(3)	0%	(6)	(6)	0%
Sugar refinery	(5)	(12)	58%	(12)	(18)	33%
Holding Company	<u>(801)</u>	<u>(579)</u>	38%	<u>(1,786)</u>	<u>(1,692)</u>	6%
Operating (loss)/profits from continuing operations	(12,777)	(44,959)	-72%	(41,059)	(78,050)	-47%
Finance costs	(2,285)	(1,513)		(4,989)	(4,675)	
Share of results from Joint Venture	-	-		-	-	
(Loss) before taxation	<u>(15,062)</u>	<u>(46,472)</u>	-68%	<u>(46,048)</u>	<u>(82,725)</u>	44%
Income tax (expense)	<u>(45)</u>	<u>(49)</u>		<u>(45)</u>	<u>(170)</u>	
(Loss) after taxation	<u>(15,107)</u>	<u>(46,521)</u>	-68%	<u>(46,093)</u>	<u>(82,895)</u>	44%

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Notes To The Interim Financial Report

8. Debt and equity securities

On 21 April 2021, the Group received a demand letter from OCBC Al-Amin Bank Berhad (OCBC) due to the default in payment of the Ijarah Muntahiah Bi Al-Tamlik Term Financing. On 12 May 2021, the Group was granted an indulgence on the repayments of the financing by OCBC. The terms and conditions during the indulgence period are further described as per the Group's announcement on 11 June 2021.

On 7 July 2021, the Company issued 70,885,600 equity shares via a Private Placement exercise, raising RM11,341,696 in cash.

9. Dividends paid

No dividend was paid during the current quarter ended 30 September 2021.

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

	30.09.2021 RM'000	30.09.2020 RM'000
Approved and contracted for :-		
Property, plant and equipment	280	168
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		9 months ended	
	30 Sept		30 Sept	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Management fees received/ receivable from a joint venture	-	-	-	-

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 third quarter of 2021, the Group recorded a 14.31% decrease in revenue to RM7.27 million compared with the corresponding period in 2020 of RM8.48 million.

The Group recorded a pre-tax loss of RM15.06 million in the current quarter as compared to a pre-tax loss of RM46.47 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 the continuing 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 period. Revenue for the current quarter decreased by RM1.37 million or 21%, closing at RM5.26 million compared with a revenue of RM6.63 million in the same quarter last year.

This segment recorded from operating losses of RM12.29 million as compared to a loss of RM44.43 million for the same quarter last year, an improvement of 72%.

Logistics and related services

Current quarter's revenue contributed by the logistics and related services segment has been maintained on track. It registered an increase in revenue of 9%, or RM0.16 million higher to RM2.01 million as compared to RM1.86 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 RM336,000, an increase by 348% compared with the corresponding quarter in last year which registered a profit of RM75,000.

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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 increase from RM4.91 million to RM5.26 million, an increase of RM0.35 million or 7.1%.

The Group recorded a loss before tax of RM15.06 million for this quarter as compared to a loss before tax of RM14.78 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 2020 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 2021 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

5. Taxation

	Individual Quarter 3 months ended 30 Sept		Cumulative Quarters 9 months ended 30 Sept	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current tax:				
-for the financial period/year	45	50	45	42
Deferred taxation	-	(1)	-	128
	<u>45</u>	<u>49</u>	<u>45</u>	<u>170</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

	30.09.2021 RM'000	31.12.2020 RM'000
a) Short term borrowings		
Secured		
- Term loans	81,867	77,568
- Hire purchase and lease payables	31,722	10,045
	<u>113,589</u>	<u>87,613</u>
b) Long term borrowings		
Secured		
- Term loans	-	-
- Hire purchase and lease payables	1,558	3,428
	<u>1,558</u>	<u>3,428</u>
	<u>115,147</u>	<u>91,041</u>

The above borrowings are denominated in the following currencies:-

- Ringgit Malaysia	111,493	87,387
- United States Dollar	3,654	3,654
	<u>115,147</u>	<u>91,041</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		9 months ended	
		30.09.21	30.09.20	30.09.21	30.09.20
Basic earning/(loss) per share					
(Loss)/Earning attributable to owners of the company	(RM'000)	673	(17,792)	(12,790)	(32,675)
Weighted average number of ordinary shares in issue	('000)	279,607	268,266	279,607	268,266
Basic (Loss)/Earning per share	(Sen)	0.25	(6.63)	(4.77)	(12.18)

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 17 November 2021.