BRAHIM’S HOLDINGS BERHAD

(Incorporated in Malaysia)
Company No: 82731 - A

FINANCIAL REPORT

for the financial year ended 31 December 2014

CONTENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM	THE COMPANY RM
Loss after taxation for the financial year	(33,831,827)	(16,229,901)
Attributable to:-		
Owners of the Company	(31,962,161)	(16,229,901)
Non-controlling interests	(1,869,666)	-
	(33,831,827)	(16,229,901)

DIVIDENDS

Since the end of the previous financial year, the Company paid a single-tier interim dividend of 0.25 sen per ordinary share amounting to RM590,715 in respect of the financial year ended 31 December 2013.

The directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised capital of the Company;

(b) the Company increased its issued and paid-up share capital from RM225,545,250 to RM236,285,500 by the issuance of 10,740,250 new ordinary shares of RM1 each at an issue price of RM2.339 per share for the purpose of working capital. The new ordinary shares were issued for cash consideration.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company; and

(c) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature except for allowance made for impairment losses on trade receivables of the Group amounted to RM49,954,000.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

HOLDING COMPANY

The holding company is Brahim's International Franchises Sdn. Bhd., a company incorporated in Malaysia.

DIRECTORS

The directors who served since the date of the last report are as follows:-

DATO' SERI IBRAHIM BIN HAJI AHMAD
TAN SRI DATO' MOHD IBRAHIM BIN MOHD ZAIN
MOHAMED ZAMRY BIN MOHAMED HASHIM
COL (RTD) DATO' IR CHENG WAH
GOH JOON HAI
DATO' CHOO KAH HOE
DATUK SERI PANGLIMA SULONG BIN MATJERAIE
AHMAD FAHIMI BIN IBRAHIM (ALTERNATE TO MOHAMED ZAMRY BIN MOHAMED HASHIM)
DATUK SERI PANGLIMA HAJI ABDUL AZEEZ BIN ABDUL RAHIM (APPOINTED ON 26.6.2014)
PROF. DR. JINAP BINTI SALAMET (APPOINTED ON 26.6.2014)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	NUMBER OF ORDINARY SHARES OF RM1.00 EACH			
	AT 1.1.2014	BOUGHT	SOLD	AT 31.12.2014
DIRECT INTEREST				
COL (RTD) DATO' IR CHENG WAH	22,500	-	-	22,500
INDIRECT INTERESTS				
DATO' SERI IBRAHIM BIN HAJI AHMAD #	113,905,000	-	(17,900,000)	96,005,000
TAN SRI DATO' MOHD IBRAHIM BIN MOHD ZAIN*	88,905,000	-	(17,900,000)	71,005,000
DATO' CHOO KAH HOE ^	25,000,000	-	-	25,000,000

DIRECTORS' INTERESTS

By virtue of their interests in the Company:

Dato' Seri Ibrahim bin Haji Ahmad is deemed interested in shares by virtue of his shareholdings in IBH Capital (Labuan) Limited and Fahim Capital Sdn. Bhd. (a shareholder of Brahim's International Franchises Sdn. Bhd.) pursuant to Section 6A of the Companies Act,1965;

* Tan Sri Dato' Mohd Ibrahim bin Mohd Zain is deemed interested in shares by virtue of his shareholdings in Semantan Capital Sdn. Bhd. (a shareholder of Brahim's International Franchises Sdn. Bhd.) pursuant to Section 6A of the Companies Act,1965; and

^ Dato' Choo Kah Hoe is deemed interested in shares by virtue of his shareholdings in IBH Capital (Labuan) Limited pursuant to Section 6A of the Companies Act,1965.

The other directors holding office at the end of the financial year had no interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 42 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The significant events occurring after the end of the reporting period are disclosed in Note 43 to the financial statements.

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 28 APRIL 2015

Dato' Seri Ibrahim Bin Haji Ahmad

Mohamed Zamry Bin Mohamed Hashim

STATEMENT BY DIRECTORS

We, Dato' Seri Ibrahim Bin Haji Ahmad and Mohamed Zamry Bin Mohamed Hashim, being two of the directors of Brahim's Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 11 to 109 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2014 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 45, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 28 APRIL 2015

Dato' Seri Ibrahim Bin Haji Ahmad

Mohamed Zamry Bin Mohamed Hashim

STATUTORY DECLARATION

I, Ching Kian Hoe, I/C No. 661127-10-5327, being the officer primarily responsible for the financial management of Brahim's Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 11 to 109 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
Ching Kian Hoe, I/C No. 661127-10-5327,
at Kuala Lumpur in the Federal Territory
on this 28 April 2015

Ching Kian Hoe

Before me

Datin Hajah Raihela Wanchik (W275)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BRAHIM'S HOLDINGS BERHAD
(Incorporated In Malaysia)
Company No: 82731 - A

Report on the Financial Statements

We have audited the financial statements of Brahim's Holdings Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 109.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 11 to the financial statements, on the goodwill amounting to RM282,479,328 in respect of the catering services segment. The directors have taken into consideration the effects of the events subsequent to the end of the reporting period and are of the opinion that the goodwill is recoverable. Accordingly, no impairment loss on goodwill is required to be made in the financial statements.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 45 on page 110 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Chua Wai Hong
Approval No: 2974/09/15 (J)
Chartered Accountant

28 April 2015

Kuala Lumpur

BRAHIM'S HOLDINGS BERHAD

(Incorporated in Malaysia)
Company No: 82731 - A

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2014

		THE GROUP		THE COMPANY	
	NOTE	31.12.2014 RM	31.12.2013 RM	31.12.2014 RM	31.12.2013 RM
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	6	-	-	308,048,520	316,048,520
Investment in joint ventures	7	21,878,245	20,998,277	20,000,000	20,000,000
Property, plant and equipment	8	60,906,540	65,012,102	322,691	407,513
Other investment	9	1	1	1	1
Intangible assets	10	58,000	225,000	-	-
Goodwill	11	294,311,109	302,311,109	-	-
Deferred tax assets	22	13,740,000	-	-	-
		390,893,895	388,546,489	328,371,212	336,456,034
CURRENT ASSETS					
Inventories	12	7,525,302	7,350,896	-	-
Trade receivables	13	82,472,185	78,969,436	-	-
Other receivables, deposits and prepayments	14	13,476,855	7,273,260	160,573	675,393
Amount owing by subsidiaries	15	-	-	20,992,497	6,270,958
Amount owing by joint venture	16	36,475	41,497	21,812	29,490
Tax recoverable		3,224,439	431,518	903,439	2,307,736
Fixed deposits with licensed banks	17	6,653,834	24,643,918	6,449,834	10,565,918
Cash and bank balances		13,544,582	29,007,405	814,604	397,426
		126,933,672	147,717,930	29,342,759	20,246,921
TOTAL ASSETS		517,827,567	536,264,419	357,713,971	356,702,955

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2014 (CONT'D)

		THE GROUP		THE COMPANY	
	NOTE	31.12.2014 RM	31.12.2013 RM	31.12.2014 RM	31.12.2013 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	236,285,500	225,545,250	236,285,500	225,545,250
Reserves	19	10,292,326	28,683,049	(44,413,371)	(41,754,908)
Equity attributable to owners of the Company		246,577,826	254,228,299	191,872,129	183,790,342
Non-controlling interests		26,783,039	34,654,705	-	-
TOTAL EQUITY		273,360,865	288,883,004	191,872,129	183,790,342
NON-CURRENT LIABILITIES					
Lease and hire purchase payables	20	50,498	217,779	-	87,630
Term loans	21	131,750,000	88,000,000	131,750,000	88,000,000
Deferred taxation	22	1,407	1,197,407	-	-
		131,801,905	89,415,186	131,750,000	88,087,630

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2014 (CONT'D)

		The Group		The Company	
	Note	31.12.2014 RM	31.12.2013 RM	31.12.2014 RM	31.12.2013 RM
CURRENT LIABILITIES					
Trade payables	23	41,934,428	32,864,731	116,133	141,853
Other payables and accruals	24	49,478,970	53,457,066	14,613,734	11,289,658
Lease and hire purchase payables	20	71,414	408,658	-	21,478
Term loans	21	18,466,255	63,531,746	15,500,000	61,000,000
Amount owing to a subsidiary	15	-	-	1,213,245	8,776,966
Bank overdrafts	25	2,648,730	3,595,028	2,648,730	3,595,028
Provision for taxation		65,000	4,109,000	-	-
		112,664,797	157,966,229	34,091,842	84,824,983
TOTAL LIABILITIES		244,466,702	247,381,415	165,841,842	172,912,613
TOTAL EQUITY AND LIABILITIES		517,827,567	536,264,419	357,713,971	356,702,955
NET ASSETS PER ORDINARY SHARE (RM)	26	1.04	1.13		

BRAHIM'S HOLDINGS BERHAD
(Incorporated in Malaysia)
Company No: 82731 - A

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

		THE GROUP		THE COMPANY	
	NOTE	2014 RM	2013 RM	2014 RM	2013 RM
REVENUE	27	353,925,132	394,828,621	13,753,353	26,490,958
DIRECT OPERATING EXPENSES	28	(153,576,519)	(164,382,987)	-	(4,595)
GROSS PROFIT		200,348,613	230,445,634	13,753,353	26,486,363
OTHER INCOME		1,715,317	6,845,719	556,789	100,016
DISTRIBUTION EXPENSES		(127,906)	(278,739)	-	(191,331)
ADMINISTRATIVE EXPENSES		(149,724,393)	(142,278,241)	(10,462,891)	(11,559,169)
OTHER EXPENSES		(77,350,224)	(26,633,975)	(7,980,698)	(220,394)
		(227,202,523)	(169,190,955)	(18,443,589)	(11,970,894)
(LOSS)/PROFIT FROM OPERATIONS		(25,138,593)	68,100,398	(4,133,447)	14,615,485
FINANCE COSTS		(10,796,123)	(12,574,968)	(10,692,157)	(11,711,167)
SHARE OF RESULTS IN JOINT VENTURES		879,968	3,274,767	-	-
(LOSS)/PROFIT BEFORE TAXATION	29	(35,054,748)	58,800,197	(14,825,604)	2,904,318
INCOME TAX EXPENSE	30	1,222,921	(19,751,578)	(1,404,297)	(340,171)
(LOSS)/PROFIT AFTER TAXATION		(33,831,827)	39,048,619	(16,229,901)	2,564,147
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE (EXPENSES)/INCOME FOR THE FINANCIAL YEAR		(33,831,827)	39,048,619	(16,229,901)	2,564,147

BRAHIM'S HOLDINGS BERHAD

(Incorporated in Malaysia)
Company No: 82731 - A

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

		THE GROUP		THE COMPANY	
	NOTE	2014 RM	2013 RM	2014 RM	2013 RM
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(31,962,161)	22,027,825	(16,229,901)	2,564,147
Non-controlling interests		(1,869,666)	17,020,794	-	-
		(33,831,827)	39,048,619	(16,229,901)	2,564,147
TOTAL COMPREHENSIVE (EXPENSES)/INCOME ATTRIBUTABLE TO:-					
Owners of the Company		(31,962,161)	22,027,825	(16,229,901)	2,564,147
Non-controlling interests		(1,869,666)	17,020,794	-	-
		(33,831,827)	39,048,619	(16,229,901)	2,564,147
Earnings per share					
- basic	31	(13.64) sen	10.12 sen		
- diluted	31	N/A	N/A		

BRAHIM'S HOLDINGS BERHAD

(Incorporated in Malaysia)
Company No: 82731 - A

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

THE GROUP	← NON-DISTRIBUTABLE	→	DISTRIBUTABLE			
	SHARE CAPITAL RM	SHARE PREMIUM RM	ACCUMULATED (LOSSES)/RETAINED PROFIT RM	ATTRIBUTABLE TO OWNERS OF THE COMPANY RM	NON-CONTROLLING INTERESTS RM	TOTAL EQUITY RM
Balance at 1.1.2013	214,805,000	13,371,895	(11,162,805)	217,014,090	(7,089)	217,007,001
Contributions by and distributions to owners of the Company						
- Issuance of shares	10,740,250	4,833,113	-	15,573,363	-	15,573,363
- Share issuance expenses	-	(386,979)	-	(386,979)	-	(386,979)
- Acquisition of a subsidiary	-	-	-	-	26,343,000	26,343,000
- Dividend paid by a subsidiary to non-controlling interests	-	-	-	-	(8,702,000)	(8,702,000)
Profit after taxation/Total comprehensive income for the financial year	-	-	22,027,825	22,027,825	17,020,794	39,048,619
Balance at 31.12.2013	225,545,250	17,818,029	10,865,020	254,228,299	34,654,705	288,883,004

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

		← NON-DISTRIBUTABLE →		DISTRIBUTABLE			
THE GROUP	NOTE	SHARE CAPITAL RM	SHARE PREMIUM RM	ACCUMULATED (LOSSES)/RETAINED PROFIT RM	ATTRIBUTABLE TO OWNERS OF THE COMPANY RM	NON-CONTROLLING INTERESTS RM	TOTAL EQUITY RM
Balance at 1.1.2014		225,545,250	17,818,029	10,865,020	254,228,299	34,654,705	288,883,004
Contributions by and distributions to owners of the Company							
- Issuance of shares		10,740,250	14,381,194	-	25,121,444	-	25,121,444
- Share issuance expenses		-	(219,041)	-	(219,041)	-	(219,041)
- Dividends:							
- by the Company	33			(590,715)	(590,715)	-	(590,715)
- by a subsidiary to non-controlling interests		-	-	-	-	(6,002,000)	(6,002,000)
Loss after taxation/Total comprehensive expense for the financial year		-	-	(31,962,161)	(31,962,161)	(1,869,666)	(33,831,827)
Balance at 31.12.2014		236,285,500	31,980,182	(21,687,856)	246,577,826	26,783,039	273,360,865

BRAHIM'S HOLDINGS BERHAD

(Incorporated in Malaysia)
Company No: 82731 - A

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

		Non-Distributable		Distributable	
	Note	Share Capital RM	Share Premium RM	Accumulated Losses RM	Total Equity RM
The Company					
Balance at 1.1.2013		214,805,000	13,371,895	(62,137,084)	166,039,811
Contributions by and distributions to owners of the Company:					
- Issuance of shares		10,740,250	4,833,113	-	15,573,363
- Share issuance expenses		-	(386,979)	-	(386,979)
Profit after taxation/Total comprehensive income for the financial year		-	-	2,564,147	2,564,147
Balance at 31.12.2013		225,545,250	17,818,029	(59,572,937)	183,790,342
Contributions by and distributions to owners of the Company:					
- Issuance of shares		10,740,250	14,381,194	-	25,121,444
- Share issuance expenses		-	(219,041)	-	(219,041)
- Dividend paid by the Company	33	-	-	(590,715)	(590,715)
Loss after taxation/Total comprehensive expenses for the financial year		-	-	(16,229,901)	(16,229,901)
Balance at 31.12.2014		236,285,500	31,980,182	(76,393,553)	191,872,129

BRAHIM'S HOLDINGS BERHAD
(Incorporated in Malaysia)
Company No: 82731 - A

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
(Loss)/Profit before taxation	(35,054,748)	58,800,197	(14,825,604)	2,904,318
Adjustments for:-				
Allowance for Impairment losses on receivables	49,954,000	5,628,957	-	58,075
Impairment loss on:				
- investment in a subsidiary	-	-	8,000,000	-
- goodwill	8,000,000	-	-	-
Amortisation of intangible assets	167,000	447,000	-	-
Bad debts written off	68,856	61,381	38,773	61,381
Depreciation of property, plant and equipment	11,762,440	11,444,083	84,822	81,558
Financing charges	-	34,484	-	34,484
Interest expense	10,770,222	12,527,218	10,690,291	11,676,683
Net loss on disposal of property, plant and equipment	48,613	4,283	-	22,007
Property, plant and equipment written off	24,943	281,481	-	-
Interest income	(1,152,915)	(875,000)	(556,789)	(94,000)
Inventories written off	1,032	-	-	-
Gain on re-measurement of the previously held equity interest	-	(4,953,140)	-	-
Share of results in joint ventures	(879,968)	(3,274,767)	-	-
Unrealised loss on foreign exchange	170,208	169,539	-	-
Write-back of allowance for impairment losses on receivables	(82,234)	-	(58,075)	-
Waiver of debts	-	(6,016)	-	(6,016)
Dividend received from:				
- joint venture	-	-	-	(4,001,358)
- subsidiary	-	-	(13,500,000)	(22,177,218)
Operating profit/(loss) before working capital changes	43,797,449	80,289,700	(10,126,582)	(11,440,086)
(Increase)/Decrease in inventories	(175,438)	(127,225)	-	-
(Increase)/Decrease in trade and other receivables	(59,646,966)	(5,841,061)	534,122	13,505,442
(Decrease)/Increase in trade and other payables	(910,399)	(3,343,611)	3,304,819	(12,879,116)
CASH FROM/(FOR) OPERATIONS	(16,935,354)	70,977,803	(6,287,641)	(10,813,760)
Tax paid	(20,550,000)	(23,020,989)	-	(1,976,207)
Interest paid	(10,770,222)	(12,527,218)	(10,690,291)	(11,676,683)
NET CASH FROM/(FOR) OPERATING ACTIVITIES CARRIED FORWARD	(48,255,576)	35,429,596	(16,977,932)	(24,466,650)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

		THE GROUP		THE COMPANY	
	NOTE	2014 RM	2013 RM	2014 RM	2013 RM
NET CASH FROM/(FOR) OPERATING ACTIVITIES BROUGHT FORWARD		(48,255,576)	35,429,596	(16,977,932)	(24,466,650)
CASH FLOWS FOR INVESTING ACTIVITIES					
Investment in a subsidiary		-	-	-	(134,550,239)
Dividend received from:					
- joint venture		-	4,001,358	-	4,001,358
- subsidiary		-	-	13,500,000	22,177,218
Repayment from/ (Advances to) subsidiaries		-	-	(14,721,539)	(4,648,723)
Advances from/(to) a related party		-	35,141	-	-
Repayment (to)/from joint venture		5,022	(38,672)	7,678	(26,665)
Interest income		1,152,915	875,000	556,789	94,000
Net cash outflow for acquisition of subsidiaries	32	-	(90,293,442)	-	-
Purchase of property, plant and equipment	34	(10,677,834)	(10,059,513)	-	(65,422)
Withdrawal/(Placement) of deposits pledged with licensed bank		836,084	(3,477,787)	836,084	(3,477,787)
Proceeds from disposal of property, plant and equipment		2,947,400	89,450	-	70,450
NET CASH FOR INVESTING ACTIVITIES		(5,736,413)	(98,868,465)	179,012	(116,425,810)
BALANCE CARRIED FORWARD		(53,991,989)	(63,438,869)	(16,798,920)	(140,892,460)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

		THE GROUP		THE COMPANY	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
BALANCE BROUGHT FORWARD		(53,991,989)	(63,438,869)	(16,798,920)	(140,892,460)
CASH FLOWS FROM FINANCING ACTIVITIES					
Advances from a subsidiary		-	-	-	8,776,966
Financing charges paid		-	(34,484)	-	(34,484)
Dividend paid by a subsidiary to non-controlling interest		-	(8,702,000)	-	-
Dividend paid to shareholders		(590,715)	-	(590,715)	-
Drawdown of term loans		155,264,301	110,193,035	155,000,000	122,259,606
Repayment of term loans		(156,750,000)	-	(156,750,000)	-
Net repayment to revolving credit		-	(5,000,000)	-	-
Net repayment to subsidiaries		-	-	(7,570,184)	-
Proceeds from issuance of shares		25,121,444	15,573,364	25,121,444	15,573,364
Share issuance expense		(219,041)	(386,980)	(219,041)	(386,980)
Net repayment of lease and hire purchase payables		(504,525)	(563,485)	(109,108)	(6,891)
NET CASH FROM FINANCING ACTIVITIES		22,321,464	111,079,450	14,882,396	146,181,581
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(31,670,525)	47,640,581	(1,916,524)	5,289,121
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		42,770,377	(4,870,204)	82,398	(5,206,723)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	35	11,099,852	42,770,377	(1,834,126)	82,398

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and the principal place of business are as follows:-

Registered office	:	10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.
Principal place of business	:	7 - 05, 7th Floor Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 28 April 2015.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. HOLDING COMPANY

The holding company is Brahim's International Franchises Sdn. Bhd., a company incorporated in Malaysia.

4. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases 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.

4.1 During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

MFRSs and IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

4. BASIS OF PREPARATION (CONT'D)

4.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	**Effective Date**
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

4. BASIS OF PREPARATION (CONT'D)

4.2 The above accounting standards and interpretations (including the consequential amendments, if any) are not relevant to the Company's operations except as follows:-

(a) MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held.

(b) The amendments to MFRS 116 and MFRS 138 prohibit revenue-based depreciation/amortisation because revenue does not, as a matter of principle, reflect the way in which an item of property, plant and equipment/intangible assets is used or consumed. The adoption of the amendments to MFRS 116 and MFRS 138 is expected to have no impact on the financial statements of the Group upon its initial application.

(c) The amendments to MFRS 119 simplify the accounting treatment of contributions from employees and third parties to defined benefit plans. Contributions that are independent of the number of years of service shall be recognised as a reduction in the service cost in the period in which the related service is rendered. For contributions that are dependent on the number of years of service, the Group is required to attribute those contributions to periods of service using either based on the plan's contribution formula or on a straight-line basis, as appropriate. The adoption of the amendments to MFRS 119 is expected to have no impact on the financial statements of the Group upon its initial application.

4. BASIS OF PREPARATION (CONT'D)

4.2 The above accounting standards and interpretations (including the consequential amendments, if any) are not relevant to the Company's operations except as follows:- (Cont'd)

(d) Annual Improvements to MFRSs 2010 – 2012 Cycle. Generally there will be no impact on the financial statements except for the amendments to MFRS 116 which will only affect the amount of accumulated depreciation of future revaluations.

(e) Annual Improvements to MFRSs 2011 – 2013 Cycle. Generally there will be no impact on the financial statements

(f) Annual Improvements to MFRSs 2012 – 2014 Cycle. Generally there will be no impact on the financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant.

As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 Critical Accounting Estimates and Judgements (Cont'd)

(a) Depreciation of Property, Plant and Equipment (Cont'd)

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(c) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 Critical Accounting Estimates And Judgements (Cont'd)

(e) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(f) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(g) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

5.2 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 Basis of Consolidation (Cont'd)

Subsidiaries are entities (including of structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 Basis of Consolidation (Cont'd)

(b) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(c) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 Basis of Consolidation (Cont'd)

(d) Loss of Control (Cont'd)

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for, in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

5.3 Intangible Assets

(i) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if event or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

(ii) Computer Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years.

Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4 Functional and Foreign Currencies

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

5.5 Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 Financial Instruments (Cont'd)

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial asset at fair value through profit or loss could be presented as current or non-current financial asset that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loan and receivables financial assets are classified as current assets, except for those having settlement date later than 12 months after the reporting date which are classified as non-current assets.

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

(iv) Available-for-sale Financial Assets (Cont'd)

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for ar least 12 months after the reporting date.

(c) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 Financial Instruments (Cont'd)

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and reward of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration is paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

5.6 Investments In Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments include transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

5.7 Joint Arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.7 Joint Arrangements (Cont'd)

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement. The investment in a joint venture is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the joint venture made up to 31 December 2014. The Group's share of the post acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's interest in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising from investments in joint ventures are recognised in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.8 Property, Plant and Equipment

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is stated at cost less impairment losses and is not depreciated.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Warehouse buildings and improvements	Over the lease period of 55 ¾ years
Pallets	33 1/3%
Plant and machinery	5% to 33 1/3%
Renovation and electrical installations	10% to 66%
Signboard	30% to 33 1/3%
Furniture, fittings and office equipment	5% to 89%
Motor vehicles	10% to 50%
Containers	10%
Lorries and trucks	10%
EDP equipment	20%

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Cost of capital work-in-progress includes direct costs, related expenditure and interest cost on borrowings taken to finance the construction or acquisition of the assets to the date that the assets are completed and put into use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.8 Property, Plant and Equipment (Cont'd)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

5.9 Impairment

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.9 Impairment (Cont'd)

(a) Impairment of Financial Assets (Cont'd)

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.9 Impairment (Cont'd)

(b) Impairment of Non-Financial Assets (Cont'd)

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount in which case, the reversal of the impairment loss is treated as a revaluation increase.

5.10 Assets Under Hire Purchase

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 5.8 above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

5.11 Operating Leases

Leases in which the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line method over the lease period.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments in the consolidated statement of financial position.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.

5.13 Income Taxes

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.13 Income Taxes (Cont'd)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

5.14 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

5.15 Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expenses in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.16 Borrowing Costs

Borrowing costs, directly attributable to the acquisition, construction or production of a qualifying asset, are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

5.17 Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

5.18 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.19 Related Parties

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.20 Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.21 Revenue and Other Income

(i) Warehousing Revenue

Warehousing revenue is recognised on a due and receivable basis.

(ii) Forwarding and Transportation Revenue

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(iii) In-flight Catering, Related Service Revenue and Sale of Goods

Revenue is recognised upon delivery of products and customers' acceptance or performance of services, if any, net of discounts.

(iv) Rental and Commission Income

Rental and commission income are recognised on an accrual basis.

(v) Interest Income

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

5.22 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

6. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2014	2013
	RM	RM
Unquoted shares, at cost:-		
At 1 January	320,963,245	56,407,906
Transferred from investment in joint venture	-	130,005,100
Addition during the financial year	-	134,550,239
	320,963,245	320,963,245
Allowance for impairment loss for the financial year	(12,914,725)	(4,914,725)
At 31 December	308,048,520	316,048,520
Allowance for impairment losses:-		
At 1 January	(4,914,725)	(4,914,725)
Addition during the financial year	(8,000,000)	-
At 31 December	(12,914,725)	(4,914,725)

During the financial year, an impairment loss of RM8,000,000 was recognised in profit or loss to write down the carrying amount of the cost of investment in subsidiary to the recoverable amount.

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries, which are all incorporated in Malaysia, are as follows:-

Name of Company	Effective Equity Interest 2014 %	2013 %	Principal Activities
Brahim's Airline Catering Holdings Sdn. Bhd.#	100	100	Investment holding company.
Tamadam Crest Sdn. Bhd.	100	100	Insurance agency (ceased operations in August 2014)
Tamadam Industries Sendirian Berhad	100	100	Provision of warehouse rental, bonded warehousing, freight forwarding and transportation services.
Tamadam Marketing Sdn. Bhd.	100	100	Dormant.
Brahim's Trading Sdn. Bhd.	100	100	Trading.
Cafe Barbera (SEA) Sdn. Bhd.	100	100	Operating a restaurant.
Admuda Sdn. Bhd.#	60	60	Dormant.
Brahim's Airline Catering Sdn. Bhd.#*	70	70	Catering and related services.

- Not audited by Messrs. Crowe Horwath.

* - Held by Brahim's Airline Catering Holdings Sdn. Bhd.

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		**The Group**	
	2014	2013	2014	2013
	%	%	RM	RM
Brahim's Airline Catering Sdn. Bhd.	30	30	27,042,000	34,761,000
Admuda Sdn. Bhd.	40	40	(258,961)	(106,295)
			26,783,039	34,654,705

The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Brahim's Airline Catering Sdn. Bhd.	
	2014	2013
	RM	RM
<u>At 31 December</u>		
Non-current assets	46,306,000	34,468,000
Current assets	110,776,000	136,567,000
Current liabilities	(66,946,000)	(53,974,000)
Non-current liabilities	-	(1,196,000)
Net assets	90,136,000	115,865,000
<u>Financial year ended 31 December</u>		
Revenue	342,836,000	384,625,000
(Loss)/Profit for the financial year	(5,722,000)	57,068,000
Total comprehensive income	(5,722,000)	57,068,000
Net cash flows from operating activities	(9,133,000)	50,776,000
Net cash flows from investing activities	(8,719,000)	(6,985,000)
Net cash flows from financing activities	(11,697,000)	(46,492,000)

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Admuda Sdn. Bhd.	
	2014	2013
	RM	RM
At 31 December		
Non-current assets	12,158	2,686,118
Current assets	2,875,142	280,063
Current liabilities	(3,533,296)	(3,230,512)
Non-current liabilities	(1,407)	(1,407)
Net liabilities	(647,403)	(265,738)
Financial year ended 31 December		
Revenue	-	-
Loss for the financial year	(381,665)	(248,015)
Total comprehensive loss	(381,665)	(248,015)
Net cash flows from operating activities	(75,228)	2,699,523
Net cash flows from investing activities	-	(2,699,307)

7. INVESTMENT IN JOINT VENTURES

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Unquoted shares, at cost:-				
At 1 January	20,998,277	206,823,509	20,000,000	150,005,100
Share of post acquisition profits	879,968	3,274,767	-	-
Dividend paid	-	(4,001,358)	-	-
	21,878,245	206,096,918	20,000,000	150,005,100
Transfer to investment in subsidiary	-	(185,098,641)	-	(130,005,100)
At 31 December	21,878,245	20,998,277	20,000,000	20,000,000

The details of the joint arrangement which is incorporated in Malaysia, are as follows:-

Name of Joint Arrangement	Effective Equity Interest 2014 %	Effective Equity Interest 2013 %	Principal Activities
Dewina Host Sdn. Bhd.	51	51	Catering and related services.

7. INVESTMENT IN JOINT VENTURES (CONT'D)

The summarised financial information for the joint venture that is material to the Group is as follows:-

	Dewina Host Sdn. Bhd.	
	2014	2013
	RM	RM
At 31 December		
Non-current assets	5,923,539	645,293
Current assets	13,125,158	17,277,926
Current liabilities	(4,978,713)	(5,578,365)
Net assets	14,069,984	12,344,854
12-month period ended 31 December		
Revenue	30,059,985	36,572,192
Profit for the financial year	1,725,428	6,421,112
Total comprehensive income	1,725,428	6,421,112
Group's share of profit for the financial year	879,968	3,274,767
Group's share of other comprehensive income	879,968	3,274,767
Dividend received	-	4,001,358
Reconciliation of net assets to carrying amount		
Group's share of net assets above	7,175,691	6,295,723
Goodwill	14,702,554	14,702,554
Carrying amount of the Group's interests in this joint venture	21,878,245	20,998,277

8. PROPERTY, PLANT AND EQUIPMENT

	AT 1.1.2014 RM	ADDITIONS RM	WRITTEN OFF RM	DISPOSALS RM	DEPRECIATION CHARGE RM	AT 31.12.2014 RM
THE GROUP						
NET BOOK VALUE						
Freehold land	2,647,464	-	-	(2,647,464)	-	-
Warehouse buildings and improvements	24,808,265	-	-	-	(620,979)	24,187,286
Containers, pallets, plant and machinery	12,230,739	5,079,281	-	-	(2,147,021)	15,162,999
Renovation and electrical installations	1,164,495	52,414	-	(31,200)	(164,320)	1,021,389
Signboard, furniture and fittings, EDP equipment and office equipment	14,443,012	3,190,139	(24,943)	(215,340)	(5,252,298)	12,140,570
Motor vehicles, lorries and trucks	9,696,284	956,000	-	(80,166)	(3,577,822)	6,994,296
Capital work-in -progress	21,843	1,400,000	-	(21,843)	-	1,400,000
	65,012,102	10,677,834	(24,943)	(2,996,013)	(11,762,440)	60,906,540

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE GROUP	AT 1.1.2013 RM	ACQUISITION OF A SUBSIDIARY RM	ADDITIONS RM	DISPOSALS RM	WRITTEN OFF RM	DEPRECIATION RM	AT 31.12.2013 RM
NET BOOK VALUE							
Freehold land	-	-	2,647,464	-	-	-	2,647,464
Warehouse buildings and improvements	25,429,244	-	-	-	-	(620,979)	24,808,265
Containers, pallets, plant and machinery	394,522	11,230,000	2,428,260	-	-	(1,822,043)	12,230,739
Renovation and electrical installations	1,498,518	-	109,179	-	(255,529)	(187,673)	1,164,495
Signboard, furniture and fittings, EDP equipment and office equipment	1,612,975	15,551,000	2,236,345	(1,276)	(25,952)	(4,930,080)	14,443,012
Motor vehicles, lorries and trucks	355,627	10,584,000	2,732,422	(92,457)	-	(3,883,308)	9,696,284
Capital work-in-progress	-	-	21,843	-	-	-	21,843
	29,290,886	37,365,000	10,175,513	(93,733)	(281,481)	(11,444,083)	65,012,102

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE GROUP	AT COST RM	ACCUMULATED DEPRECIATION RM	NET BOOK VALUE RM
AT 31.12.2014			
Warehouse buildings and improvements	34,370,690	(10,183,404)	24,187,286
Containers, pallets, plant and machinery	101,779,801	(86,616,802)	15,162,999
Renovation and electrical installations	1,724,820	(703,431)	1,021,389
Signboard, furniture and fittings, EDP equipment and office equipment	78,628,193	(66,487,623)	12,140,570
Motor vehicles, lorries and trucks	42,742,696	(35,748,400)	6,994,296
Capital work-in-progress	1,400,000	-	1,400,000
	260,646,200	(199,739,660)	60,906,540
AT 31.12.2013			
Freehold land	2,647,464	-	2,647,464
Warehouse buildings and improvements	34,370,690	(9,562,425)	24,808,265
Containers, pallets, plant and machinery	104,390,519	(92,159,780)	12,230,739
Renovation and electrical installations	1,725,028	(560,533)	1,164,495
Signboard, furniture and fittings, EDP equipment and office equipment	76,822,425	(62,379,413)	14,443,012
Motor vehicles, lorries and trucks	42,361,915	(32,665,631)	9,696,284
Capital work-in-progress	21,843	-	21,843
	262,339,884	(197,327,782)	65,012,102

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE COMPANY	AT 1.1.2014 RM	DEPRECIATION CHARGE RM	AT 31.12.2014 RM
NET BOOK VALUE			
Renovation and electrical installations	46,921	(9,092)	37,829
Signboard, furniture and fittings, EDP equipment and office equipment	191,265	(39,446)	151,819
Motor vehicles, lorries and trucks	169,327	(36,284)	133,043
	407,513	(84,822)	322,691

THE COMPANY	AT 1.1.2013 RM	ADDITION RM	DISPOSAL RM	DEPRECIATION CHARGE RM	AT 31.12.2013 RM
NET BOOK VALUE					
Renovation and electrical installations	56,013	-	-	(9,092)	46,921
Signboard, furniture and fittings, EDP equipment and office equipment	233,145	-	-	(41,880)	191,265
Motor vehicles, lorries and trucks	110,948	181,422	(92,457)	(30,586)	169,327
	400,106	181,422	(92,457)	(81,558)	407,513

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE COMPANY	AT COST RM	ACCUMULATED DEPRECIATION RM	NET BOOK VALUE RM
AT 31.12.2014			
Renovation and electrical installations	93,356	(55,527)	37,829
Signboard, furniture and fittings, EDP equipment and office equipment	390,053	(238,234)	151,819
Motor vehicles, lorries and trucks	181,422	(48,379)	133,043
	664,831	(342,140)	322,691
AT 31.12.2013			
Renovation and electrical installations	93,356	(46,435)	46,921
Signboard, furniture and fittings, EDP equipment and office equipment	390,053	(198,788)	191,265
Motor vehicles, lorries and trucks	181,422	(12,095)	169,327
	664,831	(257,318)	407,513

Included in the net book value of property, plant and equipment of the Group and the Company at the end of the reporting period were the following assets acquired under hire purchase terms:-

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Motor vehicles	212,150	702,177	-	169,327
Office equipment	12,369	-	-	-
	224,519	702,177	-	169,327

The net book value of assets pledged to banks as security for banking facilities granted to the Group and the Company is as follows:-

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Warehouse buildings and improvements	24,187,286	24,808,265	-	-

9. OTHER INVESTMENT

	THE GROUP/THE COMPANY	
	2014	2013
	RM	RM
At cost:-		
Unquoted shares	125,000	125,000
Allowance for impairment loss	(124,999)	(124,999)
	1	1

Investments in unquoted shares of the Group and of the Company, designated as available-for-sale financial assets are stated at cost as their fair values cannot be reliably measured using valuation techniques due to the lack of marketability of the shares.

10. INTANGIBLE ASSETS

	THE GROUP COMPUTER SOFTWARE	
	2014	2013
	RM	RM
Net book value		
At 1 January	225,000	-
Acquisition of a subsidiary	-	672,000
Amortisation for the financial year	(167,000)	(447,000)
At 31 December	58,000	225,000
Cost	7,883,000	7,883,000
Accumulated amortisation	(7,825,000)	(7,658,000)
Net book value	58,000	225,000

The remaining amortisation period of the computer software at the end of the reporting period ranged from 1 to 2 years.

11. GOODWILL

	THE GROUP 2014 RM	THE GROUP 2013 RM
At 1 January	302,311,109	19,827,641
Acquisition of a new subsidiary	-	282,483,468
	302,311,109	302,311,109
Accumulated Impairment losses	(8,000,000)	-
At 31 December	294,311,109	302,311,109

(a) The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	THE GROUP 2014 RM	THE GROUP 2013 RM
Brahim's Airline Catering Holdings Sdn. Bhd.	212,906,328	212,906,328
Brahim's Airline Catering Sdn. Bhd.	69,573,000	69,573,000
Admuda Sdn. Bhd.	11,747,641	19,747,641
Tamadam Industries Sendirian Berhad	80,000	80,000
Brahim's Trading Sdn. Bhd.	4,140	4,140
	294,311,109	302,311,109

11. GOODWILL (CONT'D)

(b) The Group has assessed the recoverable amounts of goodwill allocated and determined that no further impairment is required. The recoverable amounts of the cash-generating units are determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the operating segments computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

	Gross Margin		Growth Rate		Discount Rate	
	2014	2013	2014	2013	2014	2013
Warehouse Rental, Freight Forwarding and Transportation Services and Trading and Insurance Agency	51%	55%	4%	4%	9.05%	7.99%
Food and beverages	70%	64%	6-8%	6%	9.05%	7.99%
Catering Services	57%	59%	1-3%	3%	9.05%	7.99%

(i) Gross margin	Based on past performance and the management's expectation of market development.
(ii) Growth rate	Based on the expected projection of the respective operating segments.
(iii) Discount rate (pre-tax)	Reflects specific risks.

The group believes that no reasonable change in the above key assumptions would cause the carrying amount of the goodwill to exceed its recoverable amounts.

During the financial year, an impairment loss of RM8,000,000 was recognised in profit or loss to write down the carrying amount of the goodwill to the recoverable amount.

The directors, in assessing the recoverable amount of goodwill relating to the catering services segment which comprised goodwill attributable to Brahim's Airline Catering Holdings Sdn. Bhd. and Brahim's Airline Catering Sdn. Bhd. amounted to RM282,479,328 have taken into consideration the effects of the events subsequent to the end of the reporting period as disclosed in Note 43(ii) to the financial statements. The directors are of the opinion that the carrying amount of the goodwill attributable to the catering services segment is recoverable. Accordingly, no impairment loss on goodwill is required to be made in the financial statements.

12. INVENTORIES

	THE GROUP	
	2014	2013
	RM	RM
Catering stores	4,407,000	4,683,000
Food and beverage	321,302	151,685
General stores	383,000	441,211
Maintenance stores	2,414,000	2,075,000
	7,525,302	7,350,896
Recognised in profit or loss:		
Inventories recognised as cost of sales	148,536,072	159,825,425

13. TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Trade receivables	131,478,185	85,052,232	-	-
Allowance for impairment losses	(49,006,000)	(6,082,796)	-	-
	82,472,185	78,969,436	-	-
Allowance for impairment losses:-				
At 1 January	(6,082,796)	(1,970,396)	-	(1,925,482)
Acquisition of a subsidiary	-	(467,000)	-	-
Addition during the financial year	(49,954,000)	(5,570,882)	-	-
Writeoff during the financial year	7,006,637	1,925,482	-	1,925,482
Write-back during the financial year	24,159	-	-	-
At 31 December	(49,006,000)	(6,082,796)	-	-

The normal trade credit terms granted by the Group and the Company ranged from 30 to 60 days (2013 - 30 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

13. TRADE RECEIVABLES (CONT'D)

The foreign currency exposure profile of the trade receivables is as follows:-

	THE GROUP 2014 RM	THE GROUP 2013 RM
United States Dollar	279,436	-

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Other receivables	1,391,068	2,734,444	144,633	1,588,903
Deposits	6,557,291	4,418,365	46,190	430,494
Prepayments	5,560,396	1,839,628	1,650	271,047
	13,508,755	8,992,437	192,473	2,290,444
Allowance for impairment losses	(31,900)	(1,719,177)	(31,900)	(1,615,051)
	13,476,855	7,273,260	160,573	675,393
Allowance for impairment losses:-				
At 1 January	(1,719,177)	(1,661,102)	(1,615,051)	(1,556,976)
Addition during the financial year	-	(58,075)	-	(58,075)
Write-off during the financial year	1,629,202	-	1,525,076	-
Write-back during the financial year	58,075	-	58,075	-
At 31 December	(31,900)	(1,719,177)	(31,900)	(1,615,051)

In the previous financial year, included in the deposits of the Group and of the Company was an amount of RM288,729 in respect of the rental deposit for the leaseback of the properties.

15. AMOUNT OWING BY/(TO) SUBSIDIARIES

	THE COMPANY	
	2014	2013
	RM	RM
<u>Amount Owing By Subsidiaries</u>		
Current		
Non-trade balances	24,257,969	9,536,430
Allowance for impairment losses	(3,265,472)	(3,265,472)
	20,992,497	6,270,958
Allowance for impairment losses:-		
At 1 January/31 December	(3,265,472)	(3,265,472)
<u>Amount Owing to Subsidiary</u>		
Current		
Non-trade balances	(1,213,245)	(8,776,966)

The non-trade amount is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

16. AMOUNT OWING BY JOINT VENTURE

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

17. FIXED DEPOSITS WITH LICENSED BANKS

The effective interest rates of the fixed deposits ranged from 1.50% to 3.15% (2013 - 1.65% to 3.00%) per annum. The fixed deposits have maturity periods ranging from 1 to 365 days (2013 - 1 to 365 days).

The fixed deposits of RM6,449,834 (2013 - RM7,285,918) have been pledged to licensed banks as security for banking facilities granted to the Company.

18. SHARE CAPITAL

	THE COMPANY			
	2014	2013	2014	2013
	NUMBER OF SHARES		RM	RM
AUTHORISED ORDINARY SHARES OF RM1 EACH:-				
AT 1 JANUARY/31 DECEMBER	500,000000	500,000,000	500,000,000	500,000,000
ISSUED AND FULLY PAID UP				
AT 1 JANUARY	225,545,250	214,805,000	225,545,250	214,805,000
ISSUANCE OF NEW SHARES	10,740,250	10,740,250	10,740,250	10,740,250
AT 31 DECEMBER	236,285,500	225,545,250	236,285,500	225,545,250

During the financial year,

(a) there were no changes in the authorised share capital of the Company;

(b) the Company increased its issued and paid-up share capital from RM225,545,250 to RM236,285,500 by the issuance of 10,740,250 new ordinary shares of RM1 each at an issue price of RM2.339 per share for the purpose of working capital. The new shares were issued for cash consideration.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

(c) there were no issues of debentures by the Company.

19. RESERVES

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
(Accumulated losses)/Retained profits	(21,687,856)	10,865,020	(76,393,553)	(59,572,937)
NON-DISTRIBUTABLE				
Share premium	31,980,182	17,818,029	31,980,182	17,818,029
	10,292,326	28,683,049	(44,413,371)	(41,754,908)

The movements in the share premium of the Group and of the Company are as follows:-

	THE GROUP/THE COMPANY	
	2014	2013
	RM	RM
At 1 January	17,818,029	13,371,895
Issuance of shares	14,381,194	4,833,113
Share issuance expenses	(219,041)	(386,979)
At 31 December	31,980,182	17,818,029

The share premium is not distributable by way of cash dividends and may be utilised in the manner as set out in Section 60(3) of the Companies Act 1965.

20. LEASE AND HIRE PURCHASE PAYABLES

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Minimum lease and hire purchase payments:				
- not later than one year	80,662	599,786	-	25,961
- later than one year and not later than five years	55,966	237,653	-	95,187
	136,628	837,439	-	121,148
Less : Future finance charges	(14,716)	(211,002)	-	(12,040)
Present value of lease and hire purchase payables	121,912	626,437	-	109,108
Current:				
- not later than one year	71,414	408,658	-	21,478
Non-current:				
- later than one year and not later than five years	50,498	217,779	-	87,630
	121,912	626,437	-	109,108

The lease and hire purchase payables bore an effective interest rate of 5.49% (2013 - 4.20% to 6.30%) per annum at the end of the reporting period.

21. TERM LOANS

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Current:				
Not later than one year	18,466,255	63,531,746	15,500,000	61,000,000
Non-current:				
Later than one year and not later than two years	15,500,000	-	15,500,000	-
Later than two year and not later than five years	58,125,000	88,000,000	58,125,000	88,000,000
More than five years	58,125,000	-	58,125,000	-
	131,750,000	88,000,000	131,750,000	88,000,000
	150,216,255	151,531,746	147,250,000	149,000,000

Details of the term loans outstanding at the end of the reporting period are as follows:-

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Term loan				
I	2,966,255	2,531,746	-	-
II	-	99,000,000	-	99,000,000
III	-	50,000,000	-	50,000,000
IV	147,250,000	-	147,250,000	-
	150,216,255	151,531,746	147,250,000	149,000,000

The weighted average effective interest rates at the end of the reporting period for borrowings which bore interest at fixed rates, were as follows:-

	THE GROUP		THE COMPANY	
	2014 %	2013 %	2014 %	2013 %
Term loans	6.52	6.71	6.50	6.58

21. TERM LOANS (CONT'D)

(a) Term loan I is secured by:-

(i) a letter of support from the Company; and

(ii) a fixed charge on the financed machinery.

(b) Term loan II and III are secured by:-

(i) 1,000,000 ordinary shares of RM1.00 each representing 100% equity interest of Brahim's Airline Catering Holdings Sdn. Bhd.;

(ii) 34,100,000 ordinary shares of RM1.00 each of the Company held by Brahim's International Franchises Sdn. Bhd.;

(iii) 127,500 ordinary shares of RM1.00 each representing 51% equity interest of Dewina Host Sdn. Bhd.; and

(iv) a pledge of the fixed deposits with a licensed bank.

(c) Term loan IV is secured by:-

(i) 1,000,000 ordinary shares of RM1.00 each representing 100% equity interest of Brahim's Airline Catering Holdings Sdn. Bhd.;

(ii) 17,000,000 ordinary shares of RM1.00 each of the Company held by Brahim's International Franchises Sdn. Bhd.; and

(iii) a pledge of the fixed deposits with a licensed bank.

22. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts determined after appropriate offsetting, are shown in the statements of financial position:

The movements in deferred tax assets/(liabilities) during the financial year are as follows:

	THE GROUP	
	2014 RM	2013 RM
Deferred tax assets	13,740,000	-
Deferred tax liabilities	(1,407)	(1,197,407)
	13,738,593	(1,197,407)
At 1 January	(1,197,407)	-
Addition from acquisition of a subsidiary	-	(3,558,000)
Recognised in profit or loss (Note 30)	14,936,000	2,360,593
At 31 December	13,738,593	(1,197,407)
Subject to income tax		
Deferred tax assets (before offsetting)		
Allowances	17,767,000	3,870,000
	17,767,000	3,870,000
Offsetting	(4,027,000)	(3,870,000)
Deferred tax assets (after offsetting)	13,740,000	-
Deferred tax liabilities (before offsetting)		
Property, plant and equipment and intangible assets	(4,028,407)	(5,067,407)
Offsetting	4,027,000	3,870,000
Deferred tax liabilities (after offsetting)	(1,407)	(1,197,407)

23. TRADE PAYABLES

The normal trade credit terms granted to the Group and the Company range from 30 to 60 days (2013 - 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

24. OTHER PAYABLES AND ACCRUALS

Included in other payables and accruals of the Group and of the Company are amounts owing to the shareholders and directors amounting to RM10,022,000 (2013 - RM10,021,000) and RM2,077,501 (2013 - RM2,105,501), respectively.

25. BANK OVERDRAFTS

The bank overdrafts bear interest ranging from 8.35% to 9.35% (2013 - 8.10% to 9.10%) per annum and are secured by:

(i) a third party deed of assignment over a subsidiary's sub-lease on 15 acres of land and;

(ii) warehouse buildings and a pledge of fixed deposits with licensed banks.

26. NET ASSETS PER ORDINARY SHARE

The net assets per ordinary share is calculated based on the net assets value of RM246,577,826 (2013 - RM254,228,299) attributable to the number of ordinary shares in issue at the end of the reporting period of 236,285,500 (2013 - 225,545,250).

27. REVENUE

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
In-flight catering and related services	342,836,000	384,626,000	-	-
Management fees	253,353	312,382	253,353	312,382
Dividend received from:				
- joint venture	-	-	-	4,001,358
- subsidiary	-	-	13,500,000	22,177,218
Logistics and related services	7,635,691	6,190,378	-	-
Restaurant services	3,184,297	3,670,877	-	-
Others	15,791	28,984	-	-
	353,925,132	394,828,621	13,753,353	26,490,958

28. DIRECT OPERATING EXPENSES

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
In-flight catering and related services	147,273,000	158,634,000	-	-
Investment holding	-	4,595	-	4,595
Logistics and related services	4,993,455	4,378,760	-	-
Restaurant services	1,284,892	1,339,644	-	-
Others	25,172	25,988	-	-
	153,576,519	164,382,987	-	4,595

29. (LOSS)/PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
(Loss)/Profit before taxation is arrived at after charging/ (crediting):-				
Allowance for impairment losses on receivables	49,954,000	5,628,957	-	58,075
Impairment loss on:				
- goodwill	8,000,000	-	-	-
- investment in a subsidiary	-	-	8,000,000	-
Amortisation of intangible assets	167,000	447,000	-	-
Audit fee:				
- current year	339,000	283,920	114,000	72,000
- underprovision in the previous financial year	53,000	22,918	43,000	13,000
Bad debts written off	68,856	61,381	38,773	61,381
Depreciation of property, plant and equipment	11,762,440	11,444,083	84,822	81,558
Deposit forfeited	3,800,000	-	3,800,000	-
Directors' fees	410,000	335,000	410,000	335,000
Directors' non-fee emoluments	1,746,321	1,445,500	926,821	674,500
Financing charges	-	34,484	-	34,484
Hire of equipment	23,975	48,995	-	-
Interest expense	10,770,222	12,527,218	10,690,291	11,676,683
Lease land rental	43,576	75,756	-	-
Net loss on disposal of property, plant and equipment	48,613	4,283	-	22,007
Property, plant and equipment written off	24,943	281,481	-	-
Inventories written off	1,032	-	-	-
Realised (gain)/loss on foreign exchange	(87,594)	(152,125)	-	60,931
Rental of buildings	22,845,783	22,553,138	227,502	-
Staff costs:				
- salaries, wages, bonuses and allowances	61,284,032	63,378,157	415,662	506,881
- defined contribution plans	6,190,262	5,536,900	50,399	55,936
- other benefits	11,185,536	9,791,295	44,237	49,768

29. (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Unrealised loss on foreign exchange	170,208	169,539	-	-
Vehicle rental	-	36,000	-	-
Dividend received from:				
- joint venture	-	-	-	(4,001,358)
- subsidiary	-	-	(13,500,000)	(22,177,218)
Interest income	(1,152,915)	(875,000)	(556,789)	(94,000)
Rental income	(59,580)	(63,242)	-	-
Gain on re-measurement of the previously held equity interest	-	(4,953,140)	-	-
Waiver of debts	-	(6,016)	-	(6,016)
Write-back of allowance for impairment losses on receivables	(82,234)	-	(58,075)	-

30. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Current tax:				
- for the financial year	11,885,782	22,189,000	-	-
- under/(over)provision in the previous financial year	1,827,297	(76,829)	1,404,297	340,171
	13,713,079	22,112,171	1,404,297	340,171
Deferred tax (Note 22):				
- for the current financial year	(14,936,000)	(2,362,888)	-	-
- underprovision in the previous financial year	-	2,295	-	-
	(14,936,000)	(2,360,593)	-	-
	(1,222,921)	19,751,578	1,404,297	340,171

30. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the (loss)/profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
(Loss)/Profit before taxation	(35,054,748)	58,800,197	(14,825,604)	2,904,318
Tax at statutory tax rate of 25%	(8,763,687)	14,700,049	(3,706,401)	726,080
Tax effects of:-				
Non-taxable gain	(1,882,413)	(1,266,027)	(3,375,000)	(4,260,650)
Non-deductible expenses	7,359,973	8,292,367	6,588,401	4,915,460
Deferred tax assets not recognised during the financial year	843,900	500,560	493,000	-
Share of results in joint venture	(219,991)	(818,692)	-	-
Utilisation of deferred tax asset not recognised in the previous financial year	(388,000)	(1,582,145)	-	(1,380,890)
Under/(Over)provision of taxation in the previous financial year:				
- current tax	1,827,297	(76,829)	1,404,297	340,171
- deferred tax	-	2,295	-	-
Income tax expense for the financial year	(1,222,921)	19,751,578	1,404,297	340,171

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016.

30. INCOME TAX EXPENSE (CONT'D)

Subject to agreement with the tax authorities, the untilised tax losses and unabsorbed capital allowances of the Group and the Company available at the end of the reporting period to be carried forward for offset against future taxable business income are as follows:

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Unutilised tax losses	23,541,900	20,051,800	15,152,000	11,630,000
Unabsorbed capital allowances	10,309,700	10,393,200	5,546,000	5,515,000
Allowance for impairment losses	32,000	1,615,000	32,000	1,615,000

31. EARNINGS PER SHARE

	THE GROUP	
	2014	2013
(Loss)/Profit attributable to owners of the Company (RM)	(31,962,161)	22,027,825
Weighted average number of ordinary shares:-		
Issued ordinary shares at 1 January	225,545,250	214,805,000
Effect of new ordinary shares issued	8,739,327	2,824,833
Weighted average number of ordinary shares at 31 December	234,284,577	217,629,833
Basic (loss)/earnings per ordinary share (Sen)	(13.64)	10.12

31. EARNINGS PER SHARE (CONT'D)

The basic earnings per ordinary share of the Group is calculated by dividing the Group's loss or profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

The diluted earnings per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

32. ACQUISITION OF SUBSIDIARIES

In the previous financial year, the Group acquired the remaining 49% equity interests in Brahim's Airline Catering Holdings Sdn. Bhd. and Brahim's Trading Sdn. Bhd., respectively.

The details of the Group's share of net assets acquired and cash flow arising from the acquisition of the subsidiaries were as follows:-

	Fair Value Recognised At Date Of Acquisition 2013 RM
Property, plant and equipment	37,365,000
Goodwill	69,573,000
Other intangible assets	672,000
Inventories	6,909,000
Trade receivables and other receivables	69,159,000
Cash and bank balances	20,178,797
Fixed deposits with licensed bank	24,078,000
Borrowings	(37,458,000)
Trade and other payables	(43,717,245)
Provision for taxation	(5,167,000)
Deferred taxation	(3,558,000)
Net identifiable assets and liabilities	138,034,552
Less: Non-controlling interests	(26,343,000)
Add: Goodwill on consolidation	212,910,468
Total purchase consideration	324,602,020

32. ACQUISITION OF SUBSIDIARIES (CONT'D)

The details of the Group's share of net assets acquired and cash flow arising from the acquisition of the subsidiaries are as follows (cont'd):-

	Fair Value Recognised At Date Of Acquisition 2013 RM
Total purchase consideration	(324,602,020)
Gain on re-measurement of the previously held equity interest	4,953,140
Transferred from interest in joint ventures	185,098,641
Purchase consideration settled in cash and cash equivalents	(134,550,239)
Add: Cash and cash equivalents of subsidiary	44,256,797
Net cash outflow for acquisition of subsidiary	(90,293,442)

The acquired subsidiaries contributed the following results to the Group:

	2013 RM
Revenue	384,626,000
Profit after taxation	56,571,000

33. DIVIDEND

	THE COMPANY	
	2014	2013
	RM	RM
Single-tier Interim dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 December 2013	590,715	-

34. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Cost of property, plant and equipment purchased	10,677,834	10,175,513	-	181,422
Amount financed through hire purchase and leasing payables	-	(116,000)	-	(116,000)
Cash disbursed for purchase of property, plant and equipment	10,677,834	10,059,513	-	65,422

35. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Fixed deposits with licensed banks (Note 17)	6,653,834	24,643,918	6,449,834	10,565,918
Cash and bank balances	13,544,582	29,007,405	814,604	397,426
	20,198,416	53,651,323	7,264,438	10,963,344
Bank overdrafts (Note 25)	(2,648,730)	(3,595,028)	(2,648,730)	(3,595,028)
Less: Deposits pledged to licensed banks	(6,449,834)	(7,285,918)	(6,449,834)	(7,285,918)
	11,099,852	42,770,377	(1,834,126)	82,398

36. DIRECTORS' REMUNERATION

The aggregate amounts of remuneration received and receivable by the directors of the Company during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Directors of the Company				
Executive directors:				
- Salaries and other emoluments	1,730,321	1,435,500	911,821	664,500
- Fees	110,000	110,000	110,000	110,000
	1,840,321	1,545,500	1,021,821	774,500
Non-executive directors:				
- Salaries and other emoluments	16,500	10,000	15,000	10,000
- Fees	300,000	225,000	300,000	225,000
	316,500	235,000	315,000	235,000
	2,156,821	1,780,500	1,336,821	1,009,500

36. DIRECTORS' REMUNERATION (CONT'D)

Details of directors' remuneration of the Company received/receivable for the financial year in bands of RM50,000 are as follows:-

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Number Of Directors		Number Of Directors	
Executive directors:				
- RM50,001 – RM100,000	-	1	-	1
- RM250,001 – RM300,000	-	-	1	-
- RM300,001 – RM350,000	1	-	-	-
- RM700,001 – RM750,000	-	-	1	1
- RM1,450,001 – RM1,500,000	-	1	-	-
- RM1,500,001 – RM1,550,000	1	-	-	-
Non-executive directors:				
- RM1 – RM50,000	2	5	2	5
- RM50,001 – RM100,000	5	-	5	-
	9	7	9	7

37. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year.

The details of the amount owing by the subsidiaries, joint venture are disclosed in Note 15 and Note 16 respectively.

	THE COMPANY	
	2014	2013
	RM	RM
Professional fee payable to a related party	963,411	3,816,800
Interest income received/receivable from subsidiaries	202,874	-
Management fee received from a joint venture	253,353	312,382
Dividend received from a subsidiary	13,500,000	22,177,218
Dividend received from a joint venture	-	4,001,358

38. OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business unit offer different products and services, and are managed separately. The following summary describes the operations in each of the Group's reportable segments:

(i) Warehouse rental, freight forwarding and transportation services, trading and insurance agency - providing bonded warehousing, freight forwarding and transportation services and insurance agency.

(ii) Food and beverage - restaurant of cafes and food.

(iii) Catering services - catering related services.

(iv) Investment holding – Provision of management services

2014	Warehouse Rental, Freight Forwarding and Transportation Services and Trading and Insurance Agency RM	Food and Beverage RM	Catering Services RM	Investment holding RM	Consolidated RM
REVENUE					
External sales	7,651,482	3,184,297	342,836,000	253,353	353,925,132
Intersegment revenue	48,425	27,741	-	13,500,000	13,576,166
Total revenue	7,699,907	3,212,038	342,836,000	13,753,353	367,501,298
Adjustments and eliminations					(13,576,166)
Consolidated revenue					353,925,132
Results					
Results before following adjustments	2,357,053	(964,929)	52,672,236	(10,449,947)	43,614,413
Interest income	-	-	799,000	353,915	1,152,915
Depreciation of property and equipment	(866,224)	(297,741)	(10,509,000)	(89,475)	(11,762,440)
Other material items of expenses	(35,249)	(98,447)	(49,954,000)	(8,038,773)	(58,126,469)
Segment results	1,455,580	(1,361,117)	(6,991,764)	(18,224,280)	(25,121,581)
Adjustments and eliminations					(17,012)
Finance costs					(10,796,123)
Share of profit in joint venture					879,968
Income tax expense					1,222,921
Consolidated profit after taxation					(33,831,827)

38. OPERATING SEGMENTS (CONT'D)

2014	Warehouse Rental, Freight Forwarding and Transportation Services and Trading and Insurance Agency RM	Food and Beverage RM	Catering Services RM	Investment holding RM	Consolidated RM
Assets					
Segment assets	30,011,262	2,789,514	212,036,000	234,148,106	478,984,882
Investment in joint venture					21,878,245
Other investments					1
Unallocated assets					16,964,439
Consolidated total assets					517,827,567
Liabilities					
Segment liabilities	1,143,563	3,614,378	74,474,000	165,168,354	244,400,295
Provision of taxation					65,000
Deferred taxation					1,407
Consolidated total liabilities					244,466,702
Other segment items					
Additions to non-current assets other than financial instruments:					
- property and equipment	1,849,430	54,404	8,774,000	-	10,677,834

38. OPERATING SEGMENTS (CONT'D)

2013	Warehouse Rental, Freight Forwarding and Transportation Services and Trading and Insurance Agency RM	Food and Beverage RM	Catering Services RM	Investment holding RM	Consolidated RM
REVENUE					
External sales	6,204,565	3,685,674	384,626,000	312,382	394,828,621
Intersegment revenue	14,797	-	-	26,178,576	26,193,373
Total revenue	6,219,362	3,685,674	384,626,000	26,490,958	421,021,994
Adjustments and eliminations					(26,193,373)
Consolidated revenue					394,828,621
Results					
Results before following adjustments	1,314,074	(1,915,660)	91,737,000	9,496,701	100,632,115
Interest income	-	-	781,000	94,000	875,000
Other material items of income	-	-	4,953,140	-	4,953,140
Depreciation of property and equipment	(886,232)	(351,293)	(10,125,000)	(81,558)	(11,444,083)
Other material items of expenses	(2,882)	-	(5,568,000)	(119,456)	(5,690,338)
Segment results	424,960	(2,266,953)	81,778,140	9,389,687	89,325,834
Adjustments and eliminations					(21,225,436)
Finance costs					(12,574,968)
Share of profit in joint venture					3,274,767
Income tax expense					(19,751,578)
Consolidated profit after taxation					39,048,619

38. OPERATING SEGMENTS (CONT'D)

2013	Warehouse Rental, Freight Forwarding and Transportation Services and Trading and Insurance Agency RM	Food and Beverage RM	Catering Services RM	Investment holding RM	Consolidated RM
Assets					
Segment assets	29,039,668	3,319,422	241,777,782	240,707,751	514,844,623
Investment in joint venture					20,988,277
Other investments					1
Unallocated assets					431,518
Consolidated total assets					536,264,419
Liabilities					
Segment liabilities	4,294,494	6,504,110	72,803,000	158,473,404	242,075,008
Provision of taxation					4,109,000
Deferred taxation					1,197,407
Consolidated total liabilities					247,381,415
Other segment items					
Additions to non-current assets other than financial instruments:					
- property and equipment	2,923,888	67,203	7,003,000	181,422	10,175,513

38. OPERATING SEGMENTS (CONT'D)

(a) Other material items of income consist of the following:-

	THE GROUP	
	2014 RM	2013 RM
Gain on re-measurement of the previously held equity interest	-	4,953,140
	-	4,953,140

(b) Other material items of expenses consist of the following:-

	THE GROUP	
	2014 RM	2013 RM
Allowance for impairment losses on goodwill	8,000,000	-
Allowance for impairment losses on trade receivables	49,954,000	5,628,957
Bad debt written off	68,856	61,381
Loss on disposal of plant and equipment	103,613	-
	58,126,469	5,690,338

No segmental information is provided on a geographical basis as the Group's activities are predominantly in Malaysia.

Revenue from one major customer, with revenue equal to or more than 10% of Group revenue, amounting to RM253,750,000 (2013 – RM301,997,530) arose from sales of the catering services segment.

39. CAPITAL COMMITMENTS

	THE GROUP 2014 RM	2013 RM
Approved and contracted for:-		
Purchase of plant and equipment	2,407,838	-
Purchase of intangible assets	235,000	62,590
Approved but not contracted for:-		
Purchase of plant and equipment	-	11,499,840

40. LEASE COMMITMENTS

	THE GROUP 2014 RM	2013 RM
Lease rentals payable:-		
Not later than one year	43,576	75,576
Later than one year but not later than five years	181,373	395,988
More than five years	572,515	360,814
	797,464	832,378

The lease rental payable of a subsidiary is in respect of the lease agreement entered between the subsidiary, Tamadam Industries Sendirian Berhad with KTM Warehouse Management Sdn. Bhd. for a piece of land for a period of 30 years with an option to renew for a further period of 30 years.

41. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

41.1 Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group		**The Company**	
	2014	**2013**	**2014**	**2013**
	RM	RM	RM	RM
Effects on profit after taxation/equity				
USD/RM:				
- strengthened by 5%	(116,200)	(94,941)	-	-
- weakened by 5%	116,200	94,941	-	-

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 41.1(c) to the financial statements.

<u>Exposure to interest rate risk</u>

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	RM	RM	RM	RM
Fixed rate instruments				
Fixed deposits with licensed banks	6,653,834	24,643,918	6,449,834	10,565,918
Lease and hire purchase payables	(121,912)	(626,437)	-	-
Term loans	(2,966,255)	(151,531,746)	-	(149,000,000)
	3,565,667	(127,514,265)	6,449,834	(138,434,082)
Floating rate instruments				
Term loans	(147,250,000)	-	(147,250,000)	-
Bank overdrafts	(2,648,730)	(3,595,028)	(2,648,830)	(3,595,028)
	(149,898,730)	(3,595,028)	(149,898,830)	(3,595,028)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Effects on profit after taxation				
Increase of 100 basis points	(1,124,240)	(26,963)	(1,124,240)	(26,963)
Decrease of 100 basis points	1,124,240	26,963	1,124,240	26,963
Effects on equity				
Increase of 100 basis points	(1,124,240)	(26,963)	(1,124,240)	(26,963)
Decrease of 100 basis points	1,124,240	26,963	1,124,240	26,963

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amount owing by one major customer which constituted approximately 93% (2013 - 92%) of its trade receivables as at the end of the reporting period.

(ii) Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

Exposure to credit risk (Cont'd)

The Group does not have exposure to international credit risk as the entire trade receivables are concentrated in Malaysia.

Ageing analysis

The ageing analysis of the Group's trade receivables as at 31 December 2014 is as follows:-

THE GROUP	GROSS AMOUNT RM	INDIVIDUAL IMPAIRMENT RM	COLLECTIVE IMPAIRMENT RM	CARRYING VALUE RM
2014				
Not past due	36,791,135	-	-	36,791,135
Past due:				
- less than 3 months	25,462,880	-	-	25,462,880
- 3 to 6 months	419,170	-	-	419,170
- over 6 months	68,805,000	(49,006,000)	-	19,799,000
	131,478,185	(49,006,000)	-	82,472,185

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

Ageing analysis (Cont'd)

THE GROUP	GROSS AMOUNT RM	INDIVIDUAL IMPAIRMENT RM	COLLECTIVE IMPAIRMENT RM	CARRYING VALUE RM
2013				
Not past due	34,122,449	-	-	34,122,449
Past due:				
- less than 3 months	4,835,675	-	-	4,835,675
- 3 to 6 months	5,954,312	-	-	5,954,312
- over 6 months	40,136,914	(6,035,000)	(44,914)	34,057,000
	85,049,350	(6,035,000)	(44,914)	78,969,436

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

Ageing analysis (Cont'd)

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 90 days, which are deemed to have higher credit risk, are monitored individually.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE GROUP	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1 - 5 YEARS RM	OVER 5 YEARS RM
2014						
Lease and hire purchase payables	5.49	121,912	136,628	80,662	55,966	-
Term loans	6.52	150,216,255	193,186,131	27,274,130	101,771,063	64,140,938
Bank overdrafts	8.80	2,648,730	2,648,730	2,648,730	-	-
Trade payables	-	41,934,428	41,934,428	41,934,428	-	-
Other payables and accruals	-	49,478,970	49,478,970	49,478,970	-	-
		244,400,295	287,384,887	121,416,920	101,827,029	64,140,938

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

THE GROUP	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1 - 5 YEARS RM	OVER 5 YEARS RM
2013						
Lease and hire purchase payables	5.80	626,437	837,439	599,786	237,653	-
Term loans	6.71	151,531,746	187,097,126	77,152,126	109,945,000	-
Bank overdrafts	8.60	3,595,028	3,595,028	3,595,028	-	-
Trade payables	-	32,864,731	32,864,731	32,864,731	-	-
Other payables and accruals	-	53,457,066	53,457,066	53,457,066	-	-
		242,075,008	277,851,390	167,668,737	110,182,653	-

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

THE COMPANY	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1 - 5 YEARS RM	OVER 5 YEARS RM
2014						
Term loans	6.50	147,250,000	190,219,876	24,307,875	101,771,063	64,140,938
Trade payables	-	116,133	116,133	116,133	-	-
Other payables and accruals	-	14,613,734	14,613,734	14,613,734	-	-
Amount owing to a subsidiary	-	1,213,245	1,213,245	1,213,245	-	-
Bank overdrafts	8.80	2,648,730	2,648,730	2,648,730	-	-
		165,841,842	208,811,718	42,899,717	101,771,063	64,140,938

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

THE COMPANY	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1 - 5 YEARS RM	OVER 5 YEARS RM
2013						
Lease and hire purchase payables	4.52	109,108	121,148	25,961	95,187	-
Term loans	6.58	149,000,000	184,227,500	78,807,243	105,420,257	-
Trade payables	-	141,853	141,853	141,853	-	-
Other payables and accruals	-	11,289,658	11,289,658	11,289,658	-	-
Amount owing to a subsidiary		8,776,966	8,776,966	8,776,966	-	-
Bank overdrafts	8.60	3,595,028	3,595,028	3,595,028	-	-
		172,912,613	208,152,153	102,636,709	105,515,444	-

41. FINANCIAL INSTRUMENTS (CONT'D)

41.2 Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as total net borrowings from financial institutions divided by total equity. There were no changes in the Group's approach to capital management during the financial year.

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	THE GROUP	
	2014 RM	2013 RM
Lease and hire purchase payables	121,912	626,437
Term loans	150,216,255	151,531,746
Bank overdrafts	2,648,730	3,595,028
	152,986,897	155,753,211
Less: Fixed deposits with licensed banks	(6,653,834)	(24,643,918)
Less: Cash and bank balances	(13,544,582)	(29,007,405)
Net debt	132,788,481	102,101,888
Shareholders' equity	273,360,865	288,883,004
Debt-to-equity ratio	0.49 : 1	0.35 : 1

41. FINANCIAL INSTRUMENTS (CONT'D)

41.2 Capital Risk Management (Cont'd)

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

41.3 Classification Of Financial Instruments

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Financial assets				
Loans and receivables financial assets				
Trade receivables	82,472,185	78,969,436	-	-
Other receivables and deposits	7,916,459	5,433,632	158,923	404,346
Amount owing by subsidiaries	-	-	20,992,497	6,270,958
Amount owing by joint ventures	36,475	41,497	21,812	29,490
Fixed deposits with licensed banks	6,653,834	24,643,918	6,449,834	10,565,918
Cash and bank balances	13,544,582	29,007,405	814,604	397,426
	110,623,535	138,095,888	28,437,670	17,668,138
Available-for-sale financial assets				
Other investment	1	1	1	1
	110,623,536	138,095,889	28,437,671	17,668,139

41. FINANCIAL INSTRUMENTS (CONT'D)

41.3 Classification Of Financial Instruments (Cont'd)

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Financial liabilities				
Other financial liabilities				
Lease and hire purchase payables	121,912	626,437	-	109,108
Term loans	150,216,255	151,531,746	147,250,000	149,000,000
Trade payables	41,934,428	32,864,731	116,133	141,853
Amount owing to a subsidiary	-	-	1,213,245	8,776,966
Other payables and accruals	49,478,970	53,457,066	14,613,734	11,289,658
Bank overdrafts	2,648,730	3,595,028	2,648,730	3,595,028
	244,400,295	242,075,008	165,841,842	172,912,613

41. FINANCIAL INSTRUMENTS (CONT'D)

41.4 Fair Value Information

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. These fair values are included in level 2 of the fair value hierarchy.

	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value				
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
The Group								
2014								
Financial Assets								
Other investments:								
- other	-	1	-	-	-	-	#	1
Financial Liabilities								
Term loans	-	-	-	-	150,216,255	-	150,216,255	150,216,255
Lease and hire purchase payables	-	-	-	-	121,912	-	121,912	121,912

41. FINANCIAL INSTRUMENTS (CONT'D)

41.4 Fair Value Information (Cont'd)

	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
The Group								
2013								
Financial Assets								
Other investments:								
- other	-	1	-	-	-	-	#	1
Financial Liabilities								
Term loans	-	-	-	-	151,531,746	-	151,531,746	151,531,746
Lease and hire purchase payables	-	-	-	-	626,437	-	626,437	626,437

The fair value cannot be reliably measured using valuation techniques due to lack of marketability of the unquoted shares.

The fair value of term loan, lease and hire purchase payables are determined by discounting the relevant cash flows using interest rates for similar instruments as the end of the reporting period.

41. FINANCIAL INSTRUMENTS (CONT'D)

41.4 Fair Value Information (Cont'd)

	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	RM	RM
The Company								
2014								
Financial Assets								
Other investments:								
- other	-	1	-	-	-	-	#	1
Financial Liabilities								
Term loans	-	-	-	-	147,250,000	-	147,250,000	147,250,000

41. FINANCIAL INSTRUMENTS (CONT'D)

41.4 Fair Value Information (Cont'd)

	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	RM	RM
The Company								
2013								
Financial Assets								
Other investments:								
- other	-	1	-	-	-	-	#	1
Financial Liabilities								
Term loans	-	-	-	-	149,000,000	-	149,000,000	149,000,000
Lease and hire purchase payables	-	-	-	-	109,108	-	109,108	109,108

\# *The fair value cannot be reliably measured using valuation techniques due to lack of marketability of the unquoted shares.*

The fair value of term loan, lease and hire purchase payables are determined by discounting the relevant cash flows using interest rates for similar instruments as the end of the reporting period.

42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 6 January 2014, the Company entered into a Collaboration Agreement ("CA") with ANA Holdings Inc ("ANA") to produce halal Japanese cuisine for in-flight catering in Japan and to consider the establishment of a joint venture for a Halal flight kitchen in Narita and Haneda Airports, Tokyo, Japan.

(ii) On 16 January 2014, the Company entered into a Memorandum of Understanding ("MOU") with Labuan Halal Hub Sdn. Bhd. ("LHH") to produce and supply Halal meals to offshore oil platforms and vessels, and distributing Brahim's ready-to-eat meals and cooking sauces to East Malaysia and Brunei. The Company will also collaborate with LHH to provide technical support in the management of Halal process and accreditation to new overseas markets developed by LHH.

(iii) On 6 March 2014, the Company entered into a Memorandum of Understanding ("MOU") with Dhyafat Albalad Alameen Co Ltd ("Dhyafa") to formalise their intention to collaborate and establish a joint venture company ("Project Company") to develop food manufacturing, production and services in the city of Makkah, Saudi Arabia.

(iv) On 12 March 2014, the Company completed a Private Placement following the listing of and quotation for the second (2nd) and final tranche of 10,740,250 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad.

(v) On 31 March 2014, the Company entered into an agreement with OCBC Al-Amin Bank Berhad to refinance the outstanding term financing agreement that the Company had with Standard Chartered Bank Malaysia Berhad.

The RM155 million Term Financing-I refinancing facility is based on the Shariah principle of Ijarah Muntahiah bi Al-Tamlik ("**Term-i Facility**"), and is structured as:

(a) RM152 million to refinance the outstanding term financing facility with Standard Chartered Bank Malaysia Berhad, and

(b) RM3 million to finance the Company's working capital.

42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(vi) On 26 November 2014, the Company via its wholly-owned subsidiary, Brahim's Trading Sdn. Bhd. ("BTSB") together with Quantum Angel Sdn. Bhd. ("QASB") entered into a conditional Share Sale Agreement ("SSA) with Integrated Food Group Sdn. Bhd. and E-Cap (Internal) Two Sdn. Bhd. for the acquisition of the entire 100% equity interest in Rancak Selera Sdn. Bhd. for a total cash consideration of RM95.0 million. Pursuant to the proposed acquisition, BTSB together with QASB will incorporate a special-purpose vehicle ("SPV") whereby BTSB will hold up to 80% equity interest in the SPV.

On 26 February 2015, the Company terminated the Share Sale Agreement with its vendors as approval from the holding company's shareholders were not obtained, which is a condition precedent of the SSA.

(vii) On 2 December 2014, the Company entered into a Memorandum of Understanding ("MOU") with Carpenter Beef Pty Ltd ("CB") to enter into a joint venture to develop an abattoir ("Cataby Abattoir") which is designed to meet all China, EU, ESDA and Halal requirements.

43. SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The details of significant events occurring after the end of the reporting period are as follows:-

(i) On 21 January 2015, the Company entered into a Memorandum of Understanding ("MOU") with Servair Investissements Aeroportuaires ("S.I.A") to enter into a joint venture to collaborate and improve commercial and industrial co-operation in airlines catering business based on each other's 'know-how' competency. The intended co-operation will focus on technical information, knowledge and proprietary date covering aircraft catering, foods, and beverages business, procurement of equipment for catering business, menu development, promotion and development of catering business among airlines, raw material sourcing and in-flight food preparation and recipes. The MOU is to set out the broad framework to facilitate negotiations to formalise 'Definitive Agreements'.

43. SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD (CONT'D)

(ii) On 27 February 2015, the Company via its 70%-owned subsidiary, Brahim's Airline Catering Sdn Bhd ("BAC") entered into a Settlement Agreement ("SA") with Malaysian Airline System Berhad ("MAS") as part of the MAS Recovery Plan announced by Khazanah Nasional Berhad on 29 August 2014. The subsidiary is currently the exclusive in-flight caterer for MAS under a 25-years catering agreement ("Catering Agreement") for Kuala Lumpur International Airport and Penang International Airport.

In conjunction with MAS and BAC's efforts to negotiate, finalise and execute a mutually acceptable new agreement to supersede the Catering Agreement by mutual consent, MAS and BAC ("Parties") have agreed to enter into the SA to set out their mutually agreed rights, duties, liabilities and obligations vis-à-vis each other which shall be applicable during the Interim Period.

Salient terms of the SA, include amongst others, as follows:

(a) the SA shall commence on 1 October 2014 and remain in force until a new catering agreement ("NCA") is signed on or before 31 March 2015 ("Interim Period"). The Catering Agreement will be superseded upon a NCA being executed. During the Interim Period, the subsidiary shall provide a reduction of 25% of the monthly final bill to MAS ("Reduction").

(b) BAC shall not compromise in the quality of meals provided to MAS as a result of the Reduction.

(c) having regard to the current financial position of MAS and for the purpose of assisting MAS in giving effect to the MAS Recovery Plan to renegotiate with existing creditors on the settlement of outstanding debts and disputed amounts and in view of the longstanding relationship between the Parties, BAC and MAS agree to the full and final settlement of the monies withheld by MAS amounting to RM94 million where the monies will be released to BAC after deduction of a global settlement and reductions totalling RM56 million. The sum to be released by MAS to BAC amounting to RM38 million will be released in two stages 50% of the sum within seven (7) days from the signing date of the SA and the balance upon signing of the NCA.

43. SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD (CONT'D)

(d) should a NCA not be entered into on or before 31 March 2015, unless mutually extended, the Reduction shall cease, all settlements in the SA shall be deemed null and void with the disbursed first payment of 50% of RM38 million to be returned by BAC, and both Parties shall be entitled to seek all legal recourse against each other in respect of any claims and sums withheld.

On 31 March 2015, BAC entered into an Extension Agreement with MAS to extend the NCA Cut Off date (i.e. the end of the Interim Period) from 31 March 2015 to 30 April 2015.

44. FOREIGN EXCHANGE RATE

The applicable closing foreign exchange rate used (expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent) for the translation of the foreign currency balances at the end of the reporting period is as follows:-

	The Group	
	2014	2013
	RM	RM
United States Dollar	3.495	3.281

45. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED LOSSES/PROFIT

The breakdown of the accumulated losses of the Group and of the Company as at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Total retained profit/(accumulated losses) of the Company and its subsidiaries:				
- realised	49,435,290	52,483,438	(69,296,992)	(61,822,598)
- unrealised	(41,226,176)	(8,785,594)	(7,096,561)	2,249,661
	8,209,114	43,697,844	(76,393,553)	(59,572,937)
Less: Consolidation adjustments	(29,896,970)	(32,832,824)	-	-
At 31 December	(21,687,856)	10,865,020	(76,393,553)	(59,572,937)