

**BRAHIM'S HOLDINGS BERHAD ("BHB" OR THE "COMPANY")
DISPOSAL OF 49% EQUITY INTEREST IN BRAHIM'S AIRLINE CATERING HOLDINGS SDN BHD
("BACH") FOR AN AGGREGATE CASH DISPOSAL CONSIDERATION OF UP TO RM218 MILLION
("DISPOSAL")**

*Unless otherwise stated, words and expressions used in this announcement shall have the same meaning as those attributed to them in the circular to shareholders in relation to the Disposal dated 31 December 2015 ("**Circular**").*

1. INTRODUCTION

Reference is made to the announcements dated 22 October 2015, 27 October 2015, 18 December 2015, 30 December 2015, 15 January 2016, 5 February 2016 and the Circular.

On behalf of the Board, Affin Hwang IB and HLIB wish to announce that BHB and the Purchaser appointed OCBC Bank (Malaysia) Berhad ("**OCBC**") on 2 March 2016 as the Escrow Agent, which shall hold the Base Earn-out Consideration in trust for the duration as set out in Section 2.2 of this announcement. Accordingly, BHB, the Purchaser and OCBC have entered into the escrow agreement dated 2 March 2016 ("**Escrow Agreement**") for the purpose of dealing with the Base Earn-out Consideration deposited into the escrow account.

2. SALIENT TERMS OF THE ESCROW AGREEMENT

2.1 Escrow Account and Escrow Agent

- (i) The escrow account shall be used for receiving the Base Earn-out Consideration ("**Escrow Account**") only and all funds paid into the escrow account is part of and no other than part of the Base Earn-out Consideration.
- (ii) Each of BHB and the Purchaser hereby appoints OCBC as Escrow Agent and that the Escrow Account shall be operated solely and exclusively by OCBC (including opening and closing the account) in accordance with the terms set out in the Escrow Agreement and OCBC accepts such appointment upon the terms and conditions contained in the Escrow Agreement.
- (iii) Where the Purchaser in its sole opinion determines that BHB is entitled to the earn-out payout for the relevant Earn-out Year in accordance with the terms of the SSA, the Purchaser shall issue an instruction substantially in the form set out in the Escrow Agreement. Within 3 Business Days⁽¹⁾ of the receipt of the instruction, the Escrow Agent shall uplift the relevant FD⁽²⁾ and convert such amount of the principal sum of the relevant FD into RM using the OCBC prevailing spot rate ("**Board Rate**") and pay the same to BHB provided that the amount converted from the relevant FD's principal sum and paid to BHB shall not exceed RM30.0 million. For the avoidance of doubt, if the earn-out payout is less than RM30.0 million ("**Lesser Amount**"), the amount to be paid to BHB will be the Lesser Amount only. If there is any balance in the relevant FD after conversion into RM, then such balance (including all interests accrued) shall be paid by OCBC to the Purchaser.

Note:

- (1) *Business Day shall mean a day (not being a public holiday in Kuala Lumpur or Singapore or a Saturday or Sunday) on which the commercial banks licensed to carry on banking business under the relevant laws, are open for business in Kuala Lumpur or Singapore.*
- (2) *After the funds have been deposited into the Escrow Account by the Purchaser, OCBC shall debit the Escrow Account and credit the SGD equivalent of the Base Earn-out Consideration into 3 separate SGD denominated fixed deposit accounts (with each fixed deposit account having an amount corresponding to each escrow tranche) to be maintained with OCBC (each fixed deposit account shall hereinafter be referred to as "**FD**").*

2.2 Duration and Termination

- (i) The Escrow Agreement shall come into force on 2 March 2016 and the duties of the Escrow Agent shall terminate when a total sum of RM90.0 million equivalent (based on the Board Rate as at the date of deposit) has been paid into the Escrow Account and the same (together with interests accrued thereon) has been disbursed to BHB and/or the Purchaser in accordance the terms and conditions of the Escrow Agreement and thereafter the Escrow Account may be closed.
- (ii) The Escrow Agent may resign and/or its appointment may be terminated under any of the following circumstances:
 - (a) The Escrow Agent may at any time resign by delivering 90 calendar days' notice in writing to BHB and the Purchaser. The resignation of the Escrow Agent will take effect on the earlier of:
 - (i) the appointment of a successor Escrow Agent and the transfer to the successor Escrow Agent of the monies deposited in the Escrow Account, or
 - (ii) the day which occurs 90 calendar days after the date of delivery of its written notice of resignation to BHB and the Purchaser.

If at that time the Escrow Agent has not received a designation of a successor Escrow Agent, the Escrow Agent's sole responsibility after that time shall be to safe keep the monies in the Escrow Account until its written receipt of a designation of the successor Escrow Agent.

- (b) The Purchaser, with the written consent of BHB, may at any time terminate the appointment of OCBC (without otherwise terminating the Escrow Agreement) by giving 30 calendar days' written notice. Subject to OCBC's right to resign, OCBC shall continue to act as Escrow Agent (and to be remunerated by the Escrow Agent commission) and may retain all monies (including interest accrued thereon) or any part thereof in the Escrow Account until a successor is jointly appointed by BHB and the Purchaser and qualified to act as Escrow Agent. The Escrow Agent commission must be paid by BHB and the Purchaser on a pro-rated basis as a condition for the termination of OCBC to take effect.

2.3 Representations and Warranties

Each of BHB, the Purchaser and the Escrow Agent acknowledges that they have accepted the Escrow Agreement on the basis of and in full reliance upon the representations and warranties as set out in the Escrow Agreement which will be correct and complied with in all material respects throughout the duration of the Escrow Agreement.

2.4 Costs and Expenses

- (i) The costs and expenses of and incidental to the preparation and completion of the Escrow Agreement, including stamp duties and legal costs and fees, shall be borne by the Purchaser and BHB in equal proportions.
- (ii) All costs, charges and/or monies (including legal costs and fees) expended or incurred by the Escrow Agent in connection with any action taken or omitted under or in connection with the Escrow Agreement or otherwise howsoever expended or incurred by the Escrow Agent under or in connection with the Escrow Agreement shall be payable by each of the Purchaser and BHB in equal proportions to the Escrow Agent on demand and shall bear interest at the applicable late payment or excess rate and at such rests period as may be determined by the Escrow Agent from the date such sums are paid or incurred until full payment thereof (both before as well as after demand judgment or order).

3. DOCUMENTS AVAILABLE FOR INSPECTION

The Escrow Agreement will be available for inspection during normal business hours at BHB's registered office at 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 3 March 2016.