Interim Financial Report 31 March 2017

Unaudited Condensed Consolidated Statement Of Comprehensive **Income For The Quarter Ended 31 March 2017**

	3 months	Individual Quarter 3 months ended 31 March		Quarters s ended arch
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Continuing Operations				
Revenue	71,336	60,451	71,336	60,451
Cost of Sales	(29,599)	(26,052)	(29,599)	(26,052)
Gross Profit	41,737	34,399	41,737	34,399
Other income	204	322	204	322
Administrative expenses	(38,266)	(35,460)	(38,266)	(35,460)
Other expenses	(2,283)	(1,286)	(2,283)	(1,286)
(Loss)/profit from operations	1,392	(2,025)	1,392	(2,025)
Finance costs	(1,741)	(2,268)	(1,741)	(2,268)
Share of results of jointly				
controlled entities	17	(239)	17	(239)
Loss before taxation	(332)	(4,532)	(332)	(4,532)
Income tax expense	(459)	(228)	(459)	(228)
Loss after taxation	(791)	(4,760)	(791)	(4,760)
(Loss)/profit attributable to:				
- Owners of the Company	(1,853)	(5,026)	(1,853)	(5,026)
- Non Controlling Interest	1,062	266	1,062	266
	(791)	(4,760)	(791)	(4,760)
Total comprehensive (loss)/incor	ne attributable to:-			
- Owners of the Company	(1,853)	(5,026)	(1,853)	(5,026)
- Non Controlling Interest	1,062	266	1,062	266
	(791)	(4,760)	(791)	(4,760)
Loss per share (sen) attributable	to the owners of t	he Company		
Basic	(0.78)	(2.13)	(0.78)	(2.13)
Diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016.

Condensed Consolidated Statement Of Financial Position As At 31 March 2017

	As At 31.03.2017 RM'000 (Unaudited)	As At 31.12.2016 RM'000 (Audited)
ASSETS	((
Non Current Assets		
Property, plant and equipment	49,580	51,996
Investment in a Joint Venture	20,236	19,729
Intangible assets	4,248	4,248
Goodwill on consolidation	190,963	190,963
Deferred tax assets	11,528	11,764
	276,555	278,700
Current Assets		
Inventories	6,359	6,126
Trade receivables	46,399	45,593
Other receivables, deposits and prepayments	13,858	10,133
Tax recoverable	11,542	11,349
Amount owing by joint venture companies	28	43
Fixed deposits with a licensed bank	7,588	6,842
Cash and bank balances	14,841	23,301
	100,615	103,387
TOTAL ASSETS	377,170	382,087
EQUITY & LIABILITIES		
Equity attributable to equity holders		
Share capital	236,286	236,286
Share premium	31,980	31,980
Accumulated losses	(164,370)	(162,517)
Shareholders' Equity	103,896	105,749
Non Controlling Interest	140,835	139,773
Total Equity	244,731	245,522
Non-Current Liabilities		
Long-term borrowings	74,149	74,187
	74,149	74,187
Current Liabilities		
Trade payables	31,588	29,133
Other payables and accruals	19,122	24,910
Short-term borrowings	5,874	5,868
Amount due to related company	-	867
Provision for taxation	357	65
Bank overdrafts	1,349	1,535
	58,290	62,378
Total Liabilities	132,439	136,565
TOTAL EQUITY AND LIABILITIES	377,170	382,087

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016.

Unaudited Condensed Consolidated Statement Of Changes In Equity For The Year Ended 31 March 2017

	< Non - Dist	ributable >	< Distribut	table >		
	Share Capital RM'000	Share Premium RM'000	Accumulated losses RM'000	Total RM'000	Non- Controlling Interest RM'000	Total RM'000
At 1 January 2017	236,286	31,980	(162,517)	105,749	139,773	245,522
Total comprehensive income	-	-	(1,853)	(1,853)	1,062	(791)
At 31 March 2017	236,286	31,980	(164,370)	103,896	140,835	244,731
-						
At 1 January 2016	236,286	31,980	(37,367)	230,899	27,045	257,944
Transaction with non- controlling interests			(50,193)	(50,193)	160,193	110,000
Total comprehensive income	-	-	(74,957)	(74,957)	(47,465)	(122,422)
At 30 December 2016	236,286	31,980	(162,517)	105,749	139,773	245,522

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016.

Unaudited Condensed Consolidated Statement Of Cash Flows For The Financial Year Ended 31 March 2017

	3 months ended		
One wating activities	As at 31.03.2017 (Unaudited) RM'000	As at 31.03.2016 (Audited) RM'000	
Operating activities (Loss)/Profit before tax	(332)	(4,532)	
Adjustment for:-	(332)	(4,552)	
Amortisation and depreciation	2,567	2,806	
Interest expense	1,402	1,856	
Interest income	(199)	(163)	
Loss/(Gain) on disposal of property, plant and equipment	-	23	
Share of results in joint ventures	(17)	239	
Operating profit before working capital changes	3,421	229	
(Increase)/Derease in inventories	(233)	1,502	
(Increase)/Derease in receivables	(4,655)	2,433	
Increase/(Decrease) in payables	(4,689)	(28,599)	
Cash generated from/(used in) operations Interest paid	(6,156) (1,402)	(24,435) (1,856)	
Tax paid	(1,402)	(1,830)	
Net cash generated from/(used to) operating activities	(7,558)	(26,414)	
The cash generated from (asea to) operating activities	(7,550)	(20,111)	
Investing activities			
Advances from/(Repayment to) a joint venture	15	14	
Interest income	199	163	
Withdrawal/(Placement) of deposits pledged with licensed banks	-	(5)	
Proceeds from disposal of property, plant and equipment	-	4	
Proceeds from divestment in a subsidiary	- (151)	110,000	
Purchase of plant and equipment	(151)	(514)	
Net cash used in investing activities	63	109,662	
Financing activities			
Repayment of bank borrowings	-	(62,750)	
Repayment of lease and hire-purchase	(33)	(37)	
Net cash (used to)/generated from financing activities	(33)	(62,787)	
	(= o)		
Net increase in cash and cash equivalents	(7,528)	20,461	
Cash and cash equivalents at the beginning of financial year	21,982	10,196	
Cash and cash equivalents at the end of financial period	14,454	30,657	
Cash, bank balances and fixed deposits with licensed banks	22,429	34,055	
Bank overdrafts	(1,349)	(1,895)	
Deposits pledged to licensed banks	(6,626)		
Deposits pieugeu to needseu banks		(1,503)	
	14,454	30,657	

(Company No. 82731-A) (Incorporated in Malaysia)

Notes To The Interim Financial Report

A Explanatory Notes Pursuant to MFRS134

1. Basis of preparation

The condensed consolidated interim financial information are not audited and have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS 134) "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial information should be read in conjunction with the annual financial report for the year ended 31 December 2016. These explanatory notes attached to the financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

2. Changes in Accounting Policies

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

The accounting policies and methods of computation adopted for the condensed consolidated interim financial information are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2016 except for the adoption of the following amendments to the MFRSs:-

MFRSs and IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 11, Accounting for Acquisitions of interests in Joint Operations

Amendments to MFRS 10, MFRS 12 and MFRS 128 : Investment Entities – Applying the Consolidation Exception

Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative

Amendments to MFRS 127 : Equity Method in Separate Financial Statements

Annual Improvements to MFRSs 2012 – 2014 Cycle

The adoption of the above accounting standards and interpretations do not have any material impact on the condensed consolidated interim financial information of the Group.

(Company No. 82731-A) (Incorporated in Malaysia)

Notes To The Interim Financial Report

3. Auditors' Report

There was no qualification on the audited financial statements for the financial year ended 31 December 2016.

4. Seasonal or cyclical factors

The Group's operations were not significantly affected by any significant seasonal or cyclical factors during the financial quarter under review.

5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial quarter under review.

6. Changes in estimates

There were no significant changes in the estimates reported in the prior financial year, which have a material effect in the current reporting period.

7. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current financial year.

8. Dividends paid

No dividend was paid during the current quarter ended 31 March 2017.

Notes To The Interim Financial Report

9. Segmental reporting

or segmentar reporting				
	Individua	-	Cumulative	e Quarters
	3 month	3 months ended		s ended
		31 March		larch
	2017	2016	2017	2016
	RM '000	RM '000	RM '000	RM '000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment Revenue				
Revenue from continuing operations:				
In-flight catering & related services	69,215	58,201	69,215	58,201
Logistics and related services	1,824	1,865	1,824	1,865
Trading	-	-	-	-
Food and beverage	210	309	210	309
Holding Company	87	76	87	76
Total revenue including inter-segment	71,336	60,451	71,336	60,451
Holding Company	-	-	-	-
Total revenue from continuing	71,336	60,451	71,336	60,451
Segment results				
Results from continuing operations:				
In-flight catering & related services	2,310	969	2,310	969
Logistics and related services	95	261	95	261
Trading	(6)	(4)	(6)	(4)
Food and beverage	(256)	(303)	(256)	(303)
Sugar refinery	(7)	(5)	(7)	(5)
Holding Company	(739)	(2,943)	(739)	(2,943)
Operating (loss)/profits from continuing	1 207	(2.025)	1 207	(2.025)
operations	1,397	(2,025)	1,397	(2,025)
Finance costs	(1,746)	(2,268)	(1,746)	(2,268)
Share of results from Joint Venture	17_	(239)	17_	(239)
(Loss)/Profit before taxation	(332)	(4,532)	(332)	(4,532)
Income tax expense	(459)	(228)	(459)	(228)
(Loss)/Profit after taxation	(791)	(4,760)	(791)	(4,760)

(Company No. 82731-A) (Incorporated in Malaysia)

Notes To The Interim Financial Report

10. Valuation of Property, plant and equipment

The valuations of property, plant and equipment of the Group have been brought forward without amendments from the previous annual financial statements.

11. Material Events Subsequent to the End of Interim Period

The was no material event subsequent to the end of the current quarter.

12. Changes in composition of the Group

There were no major changes in composition of the Group during the quarter under review.

13. Changes in Contingent Liabilities or Contingent Assets

There were no major changes in contingent liabilities or assets during the quarter under review since the last annual balance sheet date.

14. Capital Commitments

	31.03.2017 RM'000	31.12.2016 RM'000
Approved and contracted for :-		
Property, plant and equipment	603	88
Intangible assets	196	309

(Company No. 82731-A) (Incorporated in Malaysia)

Notes To The Interim Financial Report

15. Related Company Transactions

The related company transactions of the Group had been entered into in the ordinary course of business. Below are the significant transactions with the related parties of the Group during the current financial period.

	Individual Quarter 3 months ended 31 March			
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Management fees received/receivable from a joint venture	(87)	(76)	(87)	(76)

Interim Financial Report 31 March 2017

Additional information required by the Bursa Malaysia's Main Market Listing Requirements

(Company No. 82731-A) (Incorporated in Malaysia)

Additional information required by the Bursa Malaysia's Listing Requirements

B Selected Explanatory Notes to the Interim Financial Report (Part A of Appendix 9B of Bursa Malaysia's Main Market Listing Requirements

1. Performance Analysis

In the first quarter of 2017, the Group recorded a 18.0% increase in revenue to RM71.33 million compared with the corresponding period in 2016 of RM60.45 million.

The Group recorded a pre-tax loss of RM0.33 million in the current quarter as compared to a pre-tax loss of RM4.53 million in the corresponding quarter of the previous year. The losses reduced due improvement in revenue of the flight catering businesses.

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

In-flight catering and related services

The performance of in-flight catering and related revenue in the services continues to show improvement quarter on quarter and also when compared to the revenue in the corresponding year. Revenue for the current quarter increased by RM11.01 million or 18.92%, closing at RM69.22 million compared with a revenue of RM58.20 million in the previous quarter.

Current quarter segmental operating profit showed improvement at RM2.30 million compared with RM0.97 million in the same previous quarter.

Food and Beverage ("F&B")

Performance of the F&B segment for this financial period was lower than the corresponding period. Revenue for the current quarter was RM0.21 million which was 32.04% or RM0.99 million lower than the revenue of RM0.309 million of the corresponding quarter of the previous year.

Current quarter operating loss showed a lower loss of RM0.256 million against the previous year quarter of RM0.303 million.

(Company No. 82731-A) (Incorporated in Malaysia)

Additional information required by the Bursa Malaysia's Listing Requirements

1. Performance Analysis (Cont'd)

Logistics and related services

Current quarter's revenue contributed by the logistics and related services segment remains challenging. It registered a revenue marginal reduction of 2.20%, or RM0.041 million down to RM1.82 million as compared to RM1.87 million in the corresponding quarter. Whilst, the warehouse occupancy rate continued to remain stable, its operating costs have increased due to higher maintenance and upkeep.

Segmental results for the quarter was a profit of RM95,000 compared with the corresponding year's quarter profit profit of RM261,000, mainly due to an additional provision relating to a sub-lease asset.

2. Comparison with immediate preceding quarter's result

Compared to the immediate preceding quarter's results, the Group's revenue reported an reduction from RM72.49 million to RM71.33 million in the first quarter of 2017.

The Group recorded a loss before tax of RM0.332 million for this quarter as compared to a loss before tax of RM109.260 million in the immediate preceding quarter.

3. Current year prospects

In-Flight Catering and related services

The Q2 2017 outlook for this division is expected to remain positive, in view of expected revenue improvement from non-airline catering sector. To manage its cost, management will continue with the cost saving initiatives which were implemented last year as part of its business plan.

Food and Beverage

The performance of the F&B segment continues to show operational losses but have shown signs of improvement.

(Company No. 82731-A) (Incorporated in Malaysia)

Additional information required by the Bursa Malaysia's Listing Requirements

3. Prospects (Continued)

Logistics and related services

The logistics segment continues to maintain its business volume and is relooking into its operations to streamline its cost structure.

4. Statement on Revenue or Profit Estimate, Forecast, Projection or Internal Targets Previously Announced or Disclosed in a Public Document

Not applicable as the Group has not issued any profit forecast or profit guarantee.

5. Taxation

	3 months	Individual Quarter 3 months ended 31 March		Quarters ended rch
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current tax: -for the financial period	222	203	222	203
Deferred taxation	237	25	237	25
	459	228	459	228

The Group's effective tax rate is higher than statutory tax rate due to certain expenses being disallowed for tax purposes.

Additional information required by the Bursa Malaysia's Listing Requirements

Status of corporate proposal **6.**

The Group is not engaged in any corporate proposal as at the date of this report.

7. Borrowings

	31.03.2017 RM'000	31.12.2016 RM'000
a) Short term borrowings		
Secured		
- Term loans	5,752	5,752
- Hire purchase and lease payables	122	116
	5,874	5,868
b) Long term borrowings Secured		
- Term loans	73,750	73,750
- Hire purchase and lease payables	399	437
	74,149	74,187
	80,023	80,055
The above borrowings are denominated in are as follows:-		
Ringgit Malaysia	76,271	76,303
United States Dollar	3,752	3,752
	80,023	80,055

(Company No. 82731-A) (Incorporated in Malaysia)

Additional information required by the Bursa Malaysia's Listing Requirements

8. Changes in material litigation

On 24 February 2017, further to the Company's announcement dated 15 June 2016, the Board of Directors of Brahim's Holdings Berhad ("BHB") announced that the High Court of Sabah and Sarawak at Kuching had delivered its judgement on 17 February 2017 in favour of the Plaintiff, Hock Seng Lee Berhad, with judgement sum of RM6.94 million and cost of RM6,000. Admuda Sdn. Bhd., the 60% subsidiary of BHB will submit an appeal to the Court of Appeal against the judgement of High Court of Sabah and Sarawak. The next hearing date will be on 21 June 2017.

9. Dividend

No dividend has been proposed in respect of the current financial year.

10. (Loss)/Earnings per share

		Individual Quarter 3 months ended		Cumulative (period e	~
		31.03.17	31.03.16	31.03.17	31.03.16
Basic earnings per share					
Loss attributable to ordinary equity holders of the parent company	(RM'000)	(1,853)	(5,026)	(1,853)	(5,026)
Weighted average number of ordinary shares in issue	(000)	236,285	236,285	236,285	236,285
Basic loss per share	(Sen)	(0.78)	(2.13)	(0.78)	(0.78)

The calculation of basic loss per share for the respective periods is arrived at by dividing the net loss attributable to ordinary shareholders by the weighted average number of ordinary shares issued during the financial period.

Brahim's Holdings Berhad (Company No. 82731-A)

(Incorporated in Malaysia)

Additional information required by the Bursa Malaysia's Listing Requirements

Notes to the Statement of Comprehensive Income 11.

Loss before taxation is arrived at after charging/(crediting):-

	3-months ended 31 March 2017 RM'000	3-months ended 31 March 2016 RM'000
Depreciation and amortisation	2,567	2,806
Interest expense	1,402	1,856
Loss/(gain) of disposal of property, plant and equipment	-	23
(Gain)/Loss on realised foreign exchange	(21)	(73)
Interest income	(199)	(163)

12. Realised and Unrealised Profits/(Losses) Disclosures

The accumulated losses were analysed as follows:-

	31.03.2017 RM'000	31.12.2016 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	(87,152)	(256,526)
- Unrealised	11,527	11,595
	(75,625)	(244,931)
Add: Consolidation Adjustments	(88,745)	82,414
Total group losses as per consolidated statements	(164,370)	(162,517)

13. Authorisation for Issue

The interim financial information was duly approved by the Board of Directors on 23 May 2017.