

BRAHIM'S RESPONDS TO ARTICLE ENTITLED "TELL INVESTORS WHY"
Change in Brahims Auditors

KUALA LUMPUR, MALAYSIA – 16 DECEMBER, 2019

Brahim's Holdings Berhad ("BHB") wishes to respond to article entitled "Tell Investors Why" published in the Edge Malaysia dated December 16 – December 22 2019.

On December 12 2019, BHB announced that PricewaterhouseCoopers PLT ("PWC") had voluntarily resigned as auditors to the Brahims Group and appointed Messrs Baker Tilly Monteiro Heng PLT in its place (Announcement of Change in Auditors).

The board would like to inform that the resignation of PWC is after mutual agreement. Two key factors were taken into consideration:

- 1) PWC has been the auditor for Brahims SATS Food Services Sdn Bhd ("BSFS") for more than 15 years. BSFS contribute more than ninety percent (90%) of the Group's revenue. As part of ongoing good corporate governance initiative, the boards of BHB and BSFS, are of the view that it would be timely to effect a change of auditors. A change of auditors would also enable company to benefit from fresh perspectives and views of another professional audit firm, and thus, enhance the value of the audit of the group. On November 21 2019, BSFS in their board of directors meeting agreed for change of auditors subject to the relevant formalities.
- 2) The board is actively pursuing the formalisation and implementation of regularisation plan in consultation with its appointed advisors towards achieving the objective of an exit from PN17 status. The regularisation plan which require the appointment of Reporting Accountants who will be carrying out in depth financial review and reports. The board believes that it would be expedient to have the same party as the company and group auditors.

The board wishes to assure its shareholders that it views this change of auditors as in the ordinary course of business and in the best interest of the Company and the Group.