

BRAHIM'S HOLDINGS BERHAD ("BHB" OR THE "COMPANY")

PROPOSED PRIVATE PLACEMENT OF UP TO 70,885,600 NEW ORDINARY SHARES IN BRAHIM'S HOLDINGS BERHAD ("BHB") ("PLACEMENT SHARES"), REPRESENTING APPROXIMATELY 30% OF THE TOTAL NUMBER OF ISSUED SHARES OF BHB ("SHARES") TO THE FOLLOWING PARTIES:-

- (I) DATO' SERI IBRAHIM BIN HAJI AHMAD, THE EXECUTIVE CHAIRMAN AND A MAJOR SHAREHOLDER OF THE COMPANY ("DATO' SERI IBRAHIM"), OF UP TO 17,720,000 PLACEMENT SHARES, REPRESENTING APPROXIMATELY 7.50% OF THE TOTAL NUMBER OF ISSUED SHARES; AND**
- (II) INDEPENDENT THIRD-PARTY INVESTOR(S) TO BE IDENTIFIED LATER, OF UP TO 53,165,600 PLACEMENT SHARES, REPRESENTING APPROXIMATELY 22.50% OF THE TOTAL NUMBER OF ISSUED SHARES,**

AT AN ISSUE PRICE TO BE DETERMINED LATER ("PROPOSED PRIVATE PLACEMENT")

1. INTRODUCTION

On 28 February 2019, the Board of Directors of BHB ("**Board**") announced that the Company was classified as an affected listed issuer under Practice Note 17 ("**PN17**") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"). The classification was pursuant to the Company triggering the prescribe criteria under Paragraph 2.1(a) of PN17 of the Listing Requirements in which the shareholders' equity of the listed issuer on a consolidated basis is 25% or less of the share capital (excluding treasury shares) of the listed issuer and such shareholders' equity is less than RM40 million ("**Prescribed Criteria**") ("**First PN17 announcement**").

On 13 February 2020, BHB announced that an application has been submitted to Bursa Securities for the extension of time to comply with Paragraph 8.04(3) and PN17 of the Listing Requirements. On 16 March 2020, Bursa Securities had, vide its letter dated 13 March 2020 granted the Company an extension of time until 27 August 2020 to submit its regularisation plan to the relevant authorities subject to the conditions imposed by Bursa Securities.

On 26 March 2020, Bursa Securities issued a circular granting the extension of time for the submission of regularisation plans (from 12 months to 24 months) to PN17 companies for which the first announcement in relation to triggering of the Prescribed Criteria was made between 2 January 2019 to 31 December 2019. In relation thereto, BHB is required to submit its regularisation plan by 27 February 2021 (i.e. 24 months from 28 February 2019, the date of the First PN17 announcement).

On 4 January 2021, BHB announced that the Company is still in the midst of formulating its regularisation plan and has approximately 2 months (until 27 February 2021) to submit its regularisation plan to the relevant authorities. An application for an extension of time to comply with Paragraph 8.04(3) and PN17 of the Listing Requirements has been submitted to Bursa Securities on 13 January 2021, and Bursa Securities has vide its letter dated 17 February 2021 granted the Company an extension of time until 27 August 2021 for the Company to submit its regularisation plan to the relevant authorities.

On behalf of the Board, TA Securities Holdings Berhad ("**TA Securities**" or the "**Principal Adviser**") wishes to announce that the Company proposes to undertake the Proposed Private Placement. For the avoidance of doubt, the Proposed Private Placement is not part of the regularisation plan to be formulated by the Company pursuant to its obligations under PN17 of the Listing Requirements. In this respect, the Proposed Private Placement was undertaken to raise the necessary funds for the Group's on-going operations, particularly during the COVID-19 pandemic which has significantly affected the Group's businesses.

2. PROPOSED PRIVATE PLACEMENT

2.1 Size of placement

As at 7 February 2021, being the latest practicable date prior to this Announcement (“**LPD**”), the Company has issued share capital of RM268,265,682 comprising 236,285,500 issued Shares.

Based on the above, the Proposed Private Placement would entail the issuance of up to 70,885,600 Placement Shares, representing approximately 30% of the total number of issued Shares.

2.2 Placement arrangement

The Placement Shares are intended to be placed to the following parties:-

- (i) Dato' Seri Ibrahim, the Executive Chairman and a major shareholder of the Company of up to 17,720,000 Placement Shares, representing approximately 7.50% of the total number of issued Shares; and
- (ii) independent third-party investor(s) to be identified later of up to 53,165,600 Placement Shares, representing approximately 22.50% of the total number of issued Shares. Such investor(s) shall qualify under Schedules 6 and 7 of the Capital Markets and Services Act, 2007 (“**CMSA**”). The Placement Shares are not intended to be placed to the following persons:-
 - (a) a director, major shareholder, chief executive of BHB or a holding company of BHB (“**Interested Person**”);
 - (b) a person connected with an Interested Person; or
 - (b) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

Notwithstanding the placement arrangement above, if Dato' Seri Ibrahim does not subscribe for the Placement Shares allocated to him, the Company shall endeavour to place these Placement Shares to independent third-party investor(s) to be identified.

The Proposed Private Placement may be implemented in 1 or more tranches within a period of 6 months from the date of approval from Bursa Securities for the listing and quotation of the Placement Shares on the Main Market of Bursa Securities or any extended period as may be approved by Bursa Securities, subject to the prevailing market conditions. The implementation of the Proposed Private Placement in multiple tranches would provide flexibility to BHB to procure interested investors to subscribe for the Placement Shares expediently within the period as approved by Bursa Securities.

The issue price for each tranche of the Placement Shares will be determined separately. The basis of determining the issue price of the Placement Shares will be in accordance with market-based principles.

2.2.1 Information on Dato' Seri Ibrahim

Dato' Seri Ibrahim, the Executive Chairman (appointed to the Board on 15 May 2008) and a major shareholder of the Company, had vide its letter of intent dated 18 February 2021, expressed his interest to subscribe for up to 17,720,000 Placement Shares at an issue price to be determined later, with a discount of not more than 20% to the 5-day volume weighted average market price (“**VWAP**”) of BHB Shares immediately preceding the price-fixing date.

Further details of Dato' Seri Ibrahim's shareholdings are set out in Section 6.3 of this Announcement.

Dato' Seri Ibrahim does not hold any directorship in other public companies.

Dato' Seri Ibrahim is the father of Ahmad Fahimi bin Ibrahim, an alternate director to Dato' Seri Ibrahim.

2.3 Ranking of the Placement Shares

The Placement Shares shall, upon allotment, issuance and full payment of the issue price, rank equally in all respects with the then existing issued Shares, save and except that the holders of such Placement Shares shall not be entitled to any dividend, rights, allotment and/or other distributions which may be declared, made or paid to the shareholders of BHB ("**Shareholders**"), the entitlement date of which is prior to the date of allotment and issuance of the Placement Shares.

2.4 Listing and quotation of the Placement Shares

The Placement Shares to be issued will be listed on the Main Market of Bursa Securities.

2.5 Basis and justification of the issue price of the Placement Shares

The Placement Shares will be issued based on a discount of not more than 20% to the 5-day VWAP of BHB Shares immediately preceding the price-fixing date, to be determined by the Board after taking into consideration prevailing market conditions.

As the Proposed Private Placement may be implemented in several tranches within 6 months, there could potentially be several price-fixing dates and issue prices.

For illustrative purposes only, based on an illustrative issue price of RM0.2350 per Placement Share, the issue price of the Placement Shares would represent a discount of approximately 13.12% to the 5-day VWAP of BHB Shares up to and including the LPD of RM0.2705 (Source: Bloomberg).

3. UTILISATION OF PROCEEDS

Based on an illustrative issue price of RM0.2350 per Placement Share, the gross proceeds to be raised from the Proposed Private Placement are intended to be utilised in the following manner:-

Utilisation of proceeds	Expected timeframe for utilisation from completion of the Proposed Private Placement	Amount (RM'000)
(i) Working capital	Within 6 months	16,258
(ii) Estimated expenses for the Proposed Private Placement	Immediate	400
Total		16,658

In the event of any excess / shortfall in the actual amount of proceeds raised from the Proposed Private Placement, the proceeds are intended to be utilised in the following order of priority:-

- (i) Estimated expenses for the Proposed Private Placement; and
- (ii) Working capital.

(i) **Working capital**

The BHB group of companies (“**BHB Group**” or the “**Group**”) intends to utilise proceeds of up to RM16.26 million for the Group’s working capital purposes, in the following manner:-

Working capital	Amount (RM’000)
Working capital for catering business ⁽¹⁾	15,000
Other administrative and operating expenses ⁽²⁾	1,258
Total	16,258

Notes:-

(1) These include the working capital requirements of the Group’s catering business. The breakdown are as follows:-

Catering business	Amount (RM’000)
Online catering business	3,000
Staff costs	5,000
Purchase of raw materials	7,000
Total	15,000

Online catering business

In view of the on-going COVID-19 pandemic which has adversely affected the existing in-flight catering business of the Group, the Group intends to utilise spare capacity of its in-flight kitchen to prepare food to be sold online. In this respect, Brahim’s SATS Food Services Sdn Bhd (“**BSFS**”) (a 70%-owned subsidiary of Brahim’s SATS Investment Holdings Sdn Bhd (“**BSIH**”), which in turn is a 51%-owned subsidiary of the Company) had on 11 November 2020 entered into a heads of agreement (“**HOA**”) with Focus Dynamics Centre Sdn Bhd (“**FDC**”) (a wholly-owned subsidiary of Focus Dynamics Group Berhad (“**Focus Dynamics**”) and a major shareholder of the Company) to collaborate and leverage off each other’s business (see Section 1.2, Appendix I for further details).

Based on the foregoing, the Group intends to allocate RM3.00 million to set up an online platform and remodification of kitchen facilities to cater for the above plan, as follows:-

Online catering business	Amount (RM’000)
Online platform ^(a)	1,500
Remodification of kitchen facilities ^(b)	1,500
Total	3,000

Notes:-

(a) These include hardware and software costs to be incurred for setting up an online platform for the Group’s online catering business, which is envisaged to include salient features such as orders management, payment system and delivery management.

The hardware and software costs will include the IT infrastructure required for setting up the online platform such as servers, e-commerce software and applications including the necessary licenses as well as cloud facilities. Further, this will also include the necessary consultation and service costs for commissioning of the said online platform.

- (b) The existing setup of the Group's in-flight kitchen has been catered towards preparing in-flight meals. Therefore, the spare capacity of the in-flight kitchen will be required to undergo remodification to cater for the online catering business. Such remodification will include integration of the meal preparation facilities with the online platform as well as upgrading of certain kitchen facilities such as cooking equipment, refrigeration systems, ventilation systems as well as utensils.

The online catering business is expected to provide the Group with an alternative avenue to generate income with its spare kitchen capacity, in light of the COVID-19 pandemic and Movement Control Order ("MCO").

The Group takes cognisance that the online catering business may gain traction and may require additional financial and human resources in the future. With this in mind, the Group will continuously monitor the progress of the online catering business and may employ additional resources for this business, depending on the availability of such resources, at the relevant point in time. The Group will also take into consideration of the needs of the online catering business in the eventual regularisation plan to be undertaken.

Staff costs

The Group intends to allocate RM5.00 million for its kitchen staff costs. These are kitchen staffs based at the Company's in-flight kitchen ranging from chefs to kitchen / department managers.

With the imposition of travel bans by the Malaysian Government and international borders being closed, the production of the in-flight kitchen has declined drastically. After due consideration of the current level of operations, the Company undertook a Mutual Separation Scheme ("MSS") (further details are set out in Section 1.2, Appendix 1 of this Announcement), which resulted in the number of staffs being reduced from more than 1,400 as at 31 December 2019 to less than 600 as at the LPD.

In line with the Group's plan to move into the online catering business, the Group will be able to mobilise some of its kitchen staffs to prepare food to be sold online. The proceeds of RM5.00 million is estimated to fund the Group's kitchen staff costs for a period of approximately 5 months in the interim whilst the Group is formulating its regularisation plan. These funds are expected to further ease the Group's financial burden for the payment of staff salaries.

Purchase of raw materials

The Group intends to allocate RM7.00 million for the purchase of raw materials for its catering business. These are mainly raw ingredients necessary for the preparation of the Group's in-flight meals as well as the online catering business.

Currently, the Group is still providing in-flight meals to airlines for local flights despite international borders being closed due to the COVID-19 pandemic. While the catering business is expected to suffer from the effects of the COVID-19 pandemic and MCO, the continual provision of in-flight meals (being the major revenue contributor of the Company) is vital for the Group to continue operating and meet its fixed operating costs.

- (2) These include, amongst others, rental, utilities, insurance, transportation costs, upkeep of office, day-to-day operating expenses and other miscellaneous items. The actual breakdown of these expenses cannot be determined at this juncture as it will depend on the actual administrative requirements of the Group at the relevant time.

(ii) Estimated expenses for the Proposed Private Placement

The breakdown of the estimated expenses for the Proposed Private Placement is illustrated below:-

Estimated expenses	Amount (RM'000)
Professional fees ⁽¹⁾	250
Fees to relevant authorities	27
Printing, despatch and advertising expenses	50
Miscellaneous expenses and contingencies	73
Total	400

Note:-

(1) These include advisory fees, placement commission and other professional fees payable to the Principal Adviser, company secretary and share registrar in relation to the Proposed Private Placement.

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4. RATIONALE FOR THE PROPOSED PRIVATE PLACEMENT

As detailed in Section 3 of this Announcement, the proceeds to be raised from the Proposed Private Placement will be utilised mainly for the Group's working capital while the Company is in the midst of formulating its regularisation plan.

Despite international borders being closed due to the COVID-19 pandemic, the Group is still providing in-flight meals to airlines for local flights to support the airline industry, albeit at a smaller scale. As a result of the MSS, the Group has less than 600 staffs as at the LPD to support its on-going business operations. In this respect, the proceeds will enable the Group to:-

- (i) manage its working capital requirements and ease cash flow constraints to mitigate the impact of COVID-19 on its existing businesses during this unprecedented time; and
- (ii) provide the Group with an alternative avenue to generate income from the online catering business with its spare kitchen capacity.

After due consideration of the various methods of fund raising, the Board is of the opinion that the Proposed Private Placement is the most appropriate avenue of fund raising at this juncture as the Group may not be able to secure additional bank borrowings in light of its status as a PN17 affected listed issuer.

On the other hand, other fund-raising exercises such as a rights issue may not be suitable as it will involve a cash call from existing Shareholders. Moreover, it will also require the Company to identify certain Shareholders to provide irrevocable undertakings to subscribe for a minimum number of rights shares or, alternatively, procure underwriting arrangements (which will incur additional cost), in order to achieve a minimum subscription level. In addition, a rights issue exercise is likely to take a longer time to complete as compared to a private placement exercise.

The Company has not undertaken any equity fund raising exercises in the past 12 months prior to the date of this announcement.

5. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS

5.1 Overview and prospects of the Malaysian economy

The Malaysian economy recorded a negative growth of 3.4% in the fourth quarter (3Q 2020: -2.6%), largely attributable to the imposition of the Conditional Movement Control Order on a number of states since mid-October. The restrictions on mobility, especially on inter-district and inter-state travel, weighed on economic activity. Nevertheless, the continued improvement in external demand provided support to growth. Consequently, except for manufacturing, all economic sectors continued to record negative growth. On the expenditure side, moderating private consumption and public investment activities weighed on domestic demand. On a quarter on-quarter seasonally-adjusted basis, the economy registered a decline of 0.3% (3Q 2020: +18.2%).

For Malaysia, the momentum in economic recovery was affected by the resurgence in COVID-19 cases and the introduction of targeted containment measures in several states in the fourth quarter. While there were minimal restrictions on production capacity, the movement restrictions implemented in selected states partly affected domestic demand during the quarter.

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For 2021, while near-term growth will be affected by the re-introduction of stricter containment measures, the impact, however, will be less severe than that experienced in 2020. The growth trajectory is projected to improve from the second quarter onwards. The improvement will be driven by the recovery in global demand, turnaround in public and private sector expenditure amid continued support from policy measures including PENJANA, KITA PRIHATIN, 2021 Budget and PERMAI, and higher production from existing and new facilities in the manufacturing and mining sectors. The vaccine rollout from February onwards is also expected to lift sentiments.

(Source: Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2020, BNM)

5.2 Food & beverages and accommodation industry in Malaysia

The food & beverages and accommodation subsector declined by 19.9% in the first half of 2020 due to stringent travel restrictions on movement and business operations. With a continuous drop in international tourist arrivals, the subsector is projected to contract by 7.3% in the second half of 2020. For the whole year, the subsector is anticipated to decline by 13.3%, mainly due to the sluggish performance of the accommodation segment following the significant drop in tourist arrivals. Nevertheless, an increase in demand for online food delivery and domestic tourism activities are expected to cushion the subsector.

The subsector is expected to expand markedly by 10.7% in 2021, mainly backed by domestic tourism-related activities with support from several initiatives. These initiatives include tax exemptions on tourism and accommodation services as well as an extension of income tax relief of up to RM1,000 on domestic travel services. In addition, attractive packages coupled with promotions, marketing and campaigns via digital platforms to restore public confidence is expected to revitalise the domestic tourism industry. The implementation of the Reciprocal Green Lane and Periodic Commuting Arrangement between Malaysia and Singapore for official cross-border travel for businesses and work purposes will also help to spur the subsector. The Malaysian Government's effort to promote travel bubbles with more destinations is anticipated to further support the subsector.

(Source: Economic Outlook 2021, Ministry of Finance Malaysia)

5.3 Services industry in Malaysia

The services sector contracted by 6.7% in the first half of 2020 largely due to worldwide travel bans, domestic movement restrictions and quarantines, which severely affected the tourism-related subsectors and airlines. Among the subsectors that have been severely affected include wholesale and retail trade, food & beverages and accommodation, transportation and storage as well as real estate and business services. Nevertheless, the information and communication subsector expanded as online transactions increased significantly during the MCO. The services sector is expected to record a smaller decline of 1% in the second half of the year, reflecting the gradual resumption of economic activities.

Overall, the sector is projected to contract by 3.7% in 2020 before rebounding by 7% in 2021. With the normalisation of economic activities in 2021, all subsectors are projected to record positive growth.

(Source: Economic Outlook 2021, Ministry of Finance Malaysia)

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5.4 Logistics industry in Malaysia

The logistics industry, which includes transportation and storage, accounted for 3.8% of gross domestic product in 2019 and is a crucial enabler for economic development. According to the Logistics Performance Index (“LPI”), in 2016, Malaysia was ranked at 32nd position out of 160 countries and dropped to 41st in 2018 (World Bank, 2018). Malaysia scored lower in all critical dimensions of the LPI, namely customs, infrastructure, international shipments, logistics quality and competence, tracking and tracing, and timeliness. As the industry is highly integrated across various sectors, poor logistics services hinder trade efficiency and thus, impact economic development.

(Source: Economic Outlook 2021, Ministry of Finance Malaysia)

5.5 Prospects and future plans of the Group

BHB Group is primarily involved in the business of (i) catering services; (ii) warehousing and logistics related services and (iii) investment holding. The catering services business has been the main revenue contributor of the Group, accounting for more than 95% of the Group’s total revenue for the past 3 financial years. The Group’s catering services business is mainly operated through BSFS.

BSFS is the principle in-flight catering service provider at Kuala Lumpur International Airport (“KLIA”), KLIA 2 and Penang International Airport. BSFS caters to an average of 220 aircrafts per day and prepares an average of 45,000 in-flight meals per day from its huge and highly sophisticated halal in-flight kitchen located at KLIA. For the financial year ended (“FYE”) 31 December 2019, BSFS continues to serve 35 international airlines.

In November 2019, the Group has divested its 51% equity interest in Dewina HOST Sdn Bhd (“DHSB”) (a joint venture company of the Group) in line with the Group’s strategy to realign its focus on its in-flight catering business. DHSB is one of the major restaurants and café operators in KLIA and KLIA 2. Following the disposal, the Group’s catering services business is now solely operated through BSFS.

For the FYE 31 December 2018, the financial performance of the Group was affected by a one-off impairment of goodwill amounting to RM88.61 million for its catering business, primarily due to a deterioration of financial performance from the said business. This was due to lower air passenger volume from major customers of the Group as well as higher operating costs. As a result, the Company triggered the Prescribed Criteria and was classified as an affected listed issuer under PN17 of the Listing Requirements. As set out in Section 1 of this Announcement, the Company is in the midst of formulating its regularisation plan and has until 27 August 2021 to submit its regularisation plan to the relevant authorities pursuant to its obligations under PN17 of the Listing Requirements.

Thereafter, the business of the Group has remained challenging, seeing a reduction in air passenger traffic volume and higher operating costs. Further, the business of the Group worsened with the travel restrictions and flight cancellations due to the COVID-19 pandemic and MCO introduced in March 2020. Airline companies nationwide have been facing difficulty in sustaining their businesses and this has affected the Group’s in-flight catering business. As the Group’s financial performance deteriorates, the Group has undertaken various steps to improve its financial condition, details of which are set out in Section 1.2, Appendix 1 of this Announcement.

The Proposed Private Placement will enable the Group to raise the requisite funds for working capital purposes to address its immediate working capital requirement and to provide the Group with an alternative avenue to generate income from the online catering business with its spare kitchen capacity. The Group is currently exploring new opportunities and reviewing its capital and business structure to gear itself towards the exit of PN17.

(Source: Management of BHB)

6. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

The pro forma effects of the Proposed Private Placement are as follows:-

6.1 Share capital

The pro-forma effects of the Proposed Private Placement on the issued share capital of the Company are as follows:-

	No. of Shares	Share capital (RM)
Issued share capital as at the LPD	236,285,500	268,265,682
To be issued pursuant to the Proposed Private Placement	70,885,600	16,258,116 ⁽¹⁾
Enlarged issued share capital	307,171,100	284,523,798

Note:-

(1) Based on an illustrative issue price of RM0.2350 per Placement Share and after deducting estimated expenses to be incurred in relation to the Proposed Private Placement of RM0.40 million.

6.2 Net assets ("NA") and gearing

The pro-forma effects of the Proposed Private Placement on the NA and gearing of the Group are as follows:-

	Audited as at 31 December 2019 (RM'000)	After the Proposed Private Placement ⁽¹⁾ (RM'000)
Share capital	268,266	284,524
Accumulated losses	(247,881)	(247,881)
Shareholders' equity / NA	20,385	36,643
Non-controlling interest	90,830	90,830
Total equity	111,215	127,473
No. of Shares in issue ('000)	236,286	307,171
NA per Share (RM)	0.09	0.12
Total borrowings (RM'000)	95,982	95,982
Gearing (times)	0.86	0.75

Note:-

(1) Based on the issuance of 70,885,600 Placement Shares at an illustrative issue price of RM0.2350 and after deducting estimated expenses to be incurred in relation to the Proposed Private Placement of RM0.40 million.

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6.3 Substantial Shareholders' shareholdings

The pro-forma effects of the Proposed Private Placement on the substantial Shareholders' shareholdings are as follows:-

Substantial shareholders	As at the LPD				After the Proposed Private Placement			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Brahim's International Franchises Sdn Bhd	33,005,000	13.97	-	-	33,005,000	10.74	-	-
Fahim Capital Sdn Bhd	-	-	33,005,000 ⁽³⁾	13.97	-	-	33,005,000 ⁽³⁾	10.74
Semantan Capital Sdn Bhd	-	-	33,005,000 ⁽³⁾	13.97	-	-	33,005,000 ⁽³⁾	10.74
Dato' Seri Ibrahim	-	-	58,253,300 ⁽⁴⁾	24.65	17,720,000	5.77	58,253,300 ⁽⁴⁾	18.96
Tan Sri Dato' Mohd Ibrahim bin Mohd Zain	1,050,000	0.44	33,005,000 ⁽⁵⁾	13.97	1,050,000	0.34	33,005,000 ⁽⁵⁾	10.74
IBH Capital (Labuan) Limited	25,000,000	10.58	-	-	25,000,000	8.14	-	-
Dato' Choo Kah Hoe	-	-	25,000,000 ⁽⁶⁾	10.58	-	-	25,000,000 ⁽⁶⁾	8.14
Urusharta Jamaah Sdn Bhd	45,553,450	19.28	-	-	45,553,450	14.83	-	-
Focus Dynamics Centre Sdn Bhd	38,000,000	16.08	-	-	38,000,000	12.37	-	-

Notes:-

- (1) Computed based on 236,285,500 BHB Shares as at the LPD.
- (2) Computed based on 307,171,100 BHB Shares following the completion of the Proposed Private Placement.
- (3) Deemed interested by virtue of their shareholdings in Brahim's International Franchises Sdn Bhd pursuant to Section 8 of the Companies Act 2016 ("**Act**").
- (4) Deemed interested 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 8 of the Act.
- (5) Deemed interested by virtue of his shareholdings in Semantan Capital Sdn Bhd (a shareholder of Brahim's International Franchises Sdn Bhd) pursuant to Section 8 of the Act.
- (6) Deemed interested by virtue of his shareholdings in IBH Capital (Labuan) Limited pursuant to Section 8 of the Act.

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6.4 Earnings and earnings per share (“EPS”)

The Proposed Private Placement is not expected to have an immediate material effect on the EPS of the Company, save for the dilution to EPS as a result of the increase in the number of Shares pursuant to the issuance of Placement Shares.

Although the EPS will be diluted as a result of the increase in the number of Shares, the Proposed Private Placement is expected to contribute positively to the earnings of the Company thereafter in view of the utilisation of proceeds as set out in Section 3 of this Announcement.

6.5 Convertible securities

The Company does not have any other outstanding convertible securities as at the LPD.

7. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Private Placement is subject to the following approvals being obtained:-

- (i) the approval of Bursa Securities for the listing and quotation of the Placement Shares on the Main Market of Bursa Securities.
- (ii) the approval of Shareholders at an extraordinary general meeting (“**EGM**”) to be convened; and
- (iii) Any other relevant authorities and/or parties, if required.

The Proposed Private Placement is not conditional upon any other proposals undertaken or to be undertaken by the Company.

8. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Private Placement is expected to be completed by the second quarter of 2021.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE OF THE COMPANY AND/OR PERSONS CONNECTED TO THEM

Save as disclosed below, none of the directors, major Shareholders, chief executive of the Company and/or persons connected to them have any interest, direct or indirect, in the Proposed Private Placement:-

- (i) Dato’ Seri Ibrahim, the Executive Chairman and a major shareholder of BHB via his indirect shareholding in BHB, had via its letter of intent dated 18 February 2021, expressed his interest to subscribe for up to 17,720,000 Placement Shares at an issue price to be determined later, with a discount of not more than 20% to the 5-day VWAP of BHB Shares immediately preceding the price-fixing date. In view that he is an identified placee under the Proposed Private Placement, he is deemed interested in the Proposed Private Placement;
- (ii) Ahmad Fahimi bin Ibrahim, an alternate director of Dato’ Seri Ibrahim is deemed interested in the Proposed Private Placement by virtue of him being the son of Dato’ Seri Ibrahim;
- (iii) Brahim’s International Franchises Sdn Bhd, a major shareholder of BHB via its direct shareholding in BHB, is a subsidiary of Fahim Capital Sdn Bhd, which is ultimately controlled by Dato’ Seri Ibrahim;

- (iv) Fahim Capital Sdn Bhd, a major shareholder of BHB via its indirect shareholding in BHB, is controlled by Dato' Seri Ibrahim;
- (v) IBH Capital (Labuan) Limited, a major shareholder of BHB via its direct shareholding in BHB, is controlled by Dato' Seri Ibrahim.

(Collectively, all the parties above are referred to as the “**Interested Parties**” while Dato' Seri Ibrahim and Ahmad Fahimi bin Ibrahim are referred to as the “**Interested Directors**”)

The Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings in relation to the Proposed Private Placement.

The Interested Parties will abstain from voting in respect of their direct and/or indirect shareholdings, if any, on the resolution pertaining to Proposed Private Placement at an EGM to be convened.

Further, the Interested Parties will also ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings, if any, on the resolution pertaining to the Proposed Private Placement at an EGM to be convened.

10. DIRECTORS' STATEMENT

The Board, having considered the current and prospective financial position, needs and capacity of the Company and after careful deliberation of the rationale and all other aspects of the Proposed Private Placement, is of the opinion that the Proposed Private Placement is in the best interests of the Company and Shareholders.

11. APPLICATION TO THE AUTHORITIES

The listing application in relation to the Proposed Private Placement is expected to be submitted to Bursa Securities within 1 week from the date of this Announcement.

12. ADVISER AND PLACEMENT AGENT

TA Securities has been appointed by the Company to act as the Principal Adviser and the Placement Agent in relation to the Proposed Private Placement.

13. FURTHER INFORMATION

Kindly refer to Appendix I for further information.

This announcement is dated 24 February 2021.