Brahim's®

Brahim's Holdings Berhad

198201002985 (82731-A) (Incorporated in Malaysia)

We Deliver Halal Cuisine of the World

Annual Report 2020

01 CONTENTS

VISION STATEMENT

To be an integrated high performance Halal Food Group with a brand globally recognised for its halal quality and food safety from farm-to-fork.

MISSION STATEMENT

To achieve earnings level sufficient to ensure sustainability and to reward stakeholders with steady earnings growth and dividend. To achieve this, the Group will diversify revenue channels, emphasise on R&D, consistently improve processes and execution, and provide a conducive working environment in addition to developing viable CSR programmes.

02 CHAIRMAN'S MESSAGE

Dato' Seri Ibrahim bin Haji Ahmad,
Executive Chairman

Dear Fellow Shareholders,

"Stay in positive mind-set with some determination"

On behalf of the Brahim's Holdings Berhad ("BHB"), it gives me great pleasure to present you my thirteen Annual Message in the 39th Annual General Meeting.

2020 was a year of struggle yet gratifying to certain extent. With the unprecedented Covid-19 pandemic that hit the whole world, the implication to our Group business is very huge. It is a year of continuous effort and struggle just to remain afloat. We thought we have seen the worst year somewhere in 2014-2015 when Malaysia Airlines System experienced the 2 aircraft tragedy, but nobody would have anticipated that only a "small virus" can stop the whole world. Nonetheless, it doesn't give us any excuse to give up. Regardless of the worst ever situation, we have to bounce back. We have to fill our mind and spirit with positive thoughts that can generate novel solutions in solving problems. Indeed, I believe and have faith that our Group will come out from this devastating position even stronger.

Crafting the Regularisation Scheme

It is unfortunate that our pre-plan regularisation scheme to exit PN-17 was disrupted by the Covid-19 pandemic. Most of our original plan could not really work and won't give the result and outcome as expected. However, with encouragement and never give up work attitude among our board of directors, management team and advisors, we know that there is hope and light at the end of the tunnel. Air travel is here to stay as the only viable means of fast transport around the globe.

With constant undivided effort and commitment, we will push away this difficult time and come out even stronger than before. We acknowledge that it is not an easy task for us to achieve self-regularisation of the Group at this present time but we know that it is our responsibility to strive and achieve that. Indeed, we believe that it is everybody's hope.

The Group's past performance, current accomplishment and future prospect are detailed in the Management Discussion and Analysis section accordingly. Group's corporate social and sustainability activities are also presented as part of this annual report.

Gearing up for new business segment

For airline catering business, we realise that aviation industries will have huge uncertainties on the potential recovery. The focus on aviation industries has become somewhat blurred now in the mist of the pandemic and a re-focus on the market is needed now – from airlines to direct consumer market.

Malaysia Airline Berhad ("MAB") will still be our critical strategic partner in Brahim's SATS Food Services Sdn Bhd ("BSFS") as our subsidiary. Our collaboration and association with MAB would continue to the next level and our exploration of new ventures are growing day by day.

For warehousing and logistic business, we acknowledge the opportunities arising during this Covid-19 pandemic time where movement control orders ("MCO") limit consumers movement and direct access to food. We are planning to gear them up to a level that will give positive contribution towards the Group, in food storage and distribution.

Stay in positive mind-set

The whole team of directors and management are fully dedicated to sustainability and performance as a way of thinking and moving forward. With regards to the current business situation, there is no denial that our group has been hit hard.

Our business collectively has been negatively affected by more than 95% in term of revenue. Nevertheless, I still believe with proper organization decision and enhanced financial management we will be able to sustain and perform better in future.

We have to acknowledge that our Group strength indeed lies in the whole team's mind-set. Staying positive and with some determination has been proven to all of us that we can survive. With some new invention, development and exploration, the readily available facilities can and will become a central hub or processing centre that can further reach the whole country and beyond.

The board and management priority remain to formulate strategies to restore Group's performance and to continue to look for complementary businesses for future business expansion.

Acknowledgement

Over the years, the management team has been under pressure to improve the overall Group's performance and future business prospects.

With continuous support from the Board of Directors, we have assured that the right balance of skill and breadth of experience is reflected accordingly towards the whole team.

Our commitment to the best practice, code of ethic and good corporate governance played a pivotal role in managing the Group's business risks and opportunities.

I would like to recognise and thank all employees of the Group for their commitment, diligence, belief and resilience in delivering result even under current challenging environment.

With our core competence and value that we continue to adhere to and the regularisation plan aligned ahead for all of us to embrace, I am highly optimistic of the success and promising future.

And finally, THANK YOU to our esteemed shareholders, for your devoted support and continued confidence in us. We look forward to your continued consideration and support.

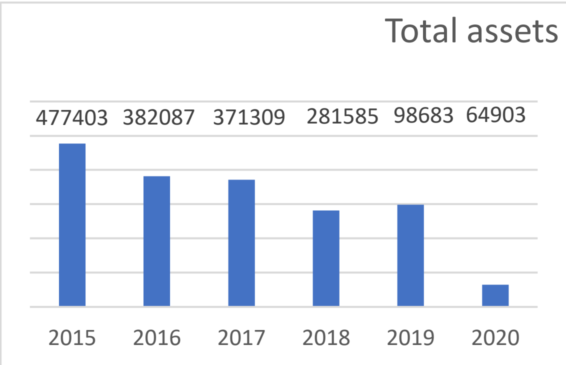
I look forward to seeing you virtually in our 39th Annual General Meeting broadcast.

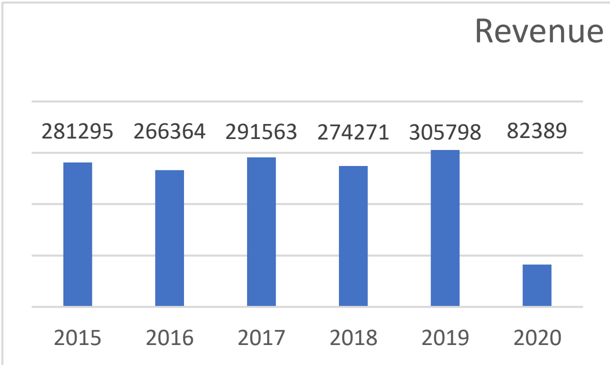
Dato' Seri Ibrahim bin Haji Ahmad Executive Chairman

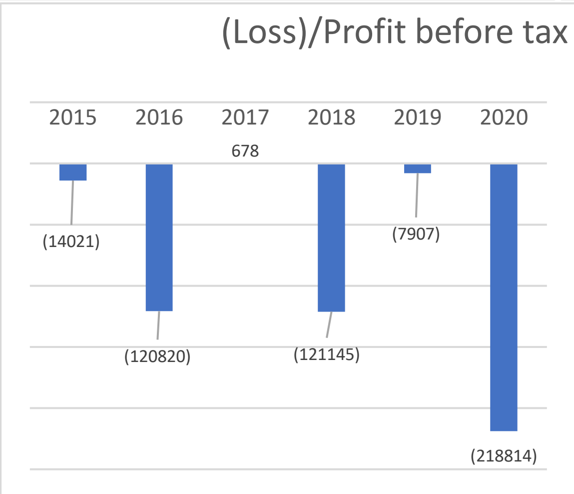
28 May 2021

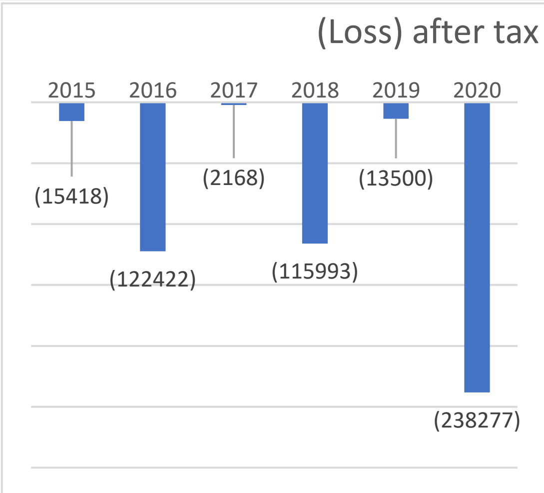
04 FINANCIAL HIGHLIGHTS 2020

	2015	2016	2017	2018	2019	2020
Statement of Comprehensive Income (RM'000)						
Revenue	281,295	266,364	291,563	274,271	305,798	82,389
(Loss)/Profit before tax	(14,021)	(120,820)	678	(121,145)	(7,907)	(218,814)
(Loss) after tax	(15,418)	(122,422)	(2,168)	(115,993)	(13,500)	(238,277)
(Loss) attributable to the equity holder of the company	(15,680)	(74,957)	(6,937)	(61,581)	(15,353)	(107,029)
LPS (Sen)	(7)	(32)	(3)	(26)	(7)	(45)
Statement of Financial Position (RM'000)						
Issued and paid-up capital	236,286	236,286	236,286	236,286	236,286	236,286
Total equity	257,944	245,522	243,354	124,715	111,215	(127,062)
Total assets	477,403	382,087	371,309	281,585	298,683	64,903









05 STOCK INFORMATON

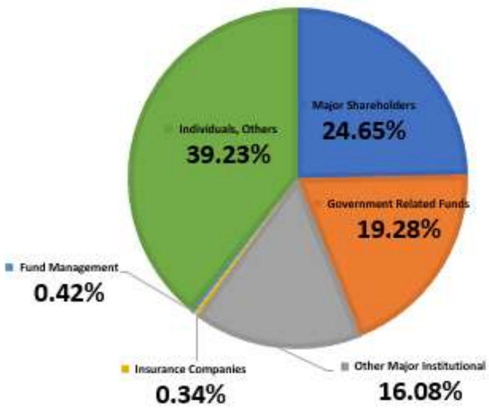
As at 17 May 2021

STOCK SUMMARY

Stock Name	:	BRAHIMS
Stock Code	:	9474
Issued Share Capital	:	236,285,500 ordinary shares
Number of shareholders	:	3,244

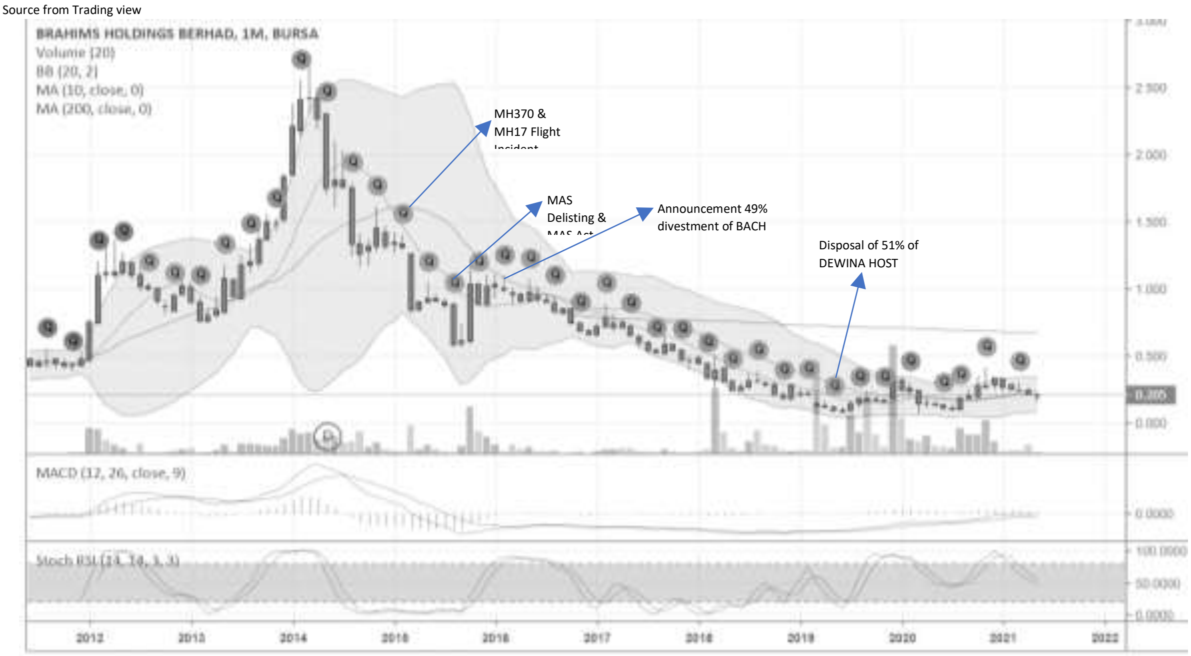
Breakdown of Shares By Type of Shareholdings

No.	Type of Shareholders	No. of Shares	%
1	Major Shareholders	58,253,300	24.65
2	Government Related Funds	45,553,450	19.28
3	Other Major Institutional	38,000,000	16.08
4	Insurance Companies	800,000	0.34
5	Fund Management	1,000,000	0.42
6	Individuals, Others	92,678,750	39.23
	TOTAL	**236,285,500**	**100.00**



HISTORICAL STOCK PRICE CATALYSTS

Source from Trading view



06 FINANCIAL & INVESTOR CALENDAR

02

13 February
Special Audit Committee ("AC") Meeting No. 1/2020 of BHB

25 February
AC Meeting No. 1/2020 of BHB

Board of Directors' Meeting ("BODM") No. 1/2020 of BHB

28 February
Special AC Meeting No. 2/2020 of BHB

Announcement of Q4 2019 Results

05

21 May

Nomination Committee Meeting No. 1/2020 of BHB

Remuneration Committee Meeting No. 1/2020 of BHB

AC Meeting No. 2/2020 of BHB

BODM No. 2/2020 of BHB

06

10 June
Special AC Meeting No. 3/2020 of BHB

15 June
Announcement on Extension of time for holding 38th Annual General Meeting

17 June
Special AC Meeting No. 4/2020 of BHB

26 June
Announcement of Q1 2020 Results

Announcement on Qualified Opinion with Material Uncertainty related to Going Concern in Audited Financial Statements for the financial year ended 31 December 2019

08

24 August
AC Meeting No. 3/2020 of BHB

24 August
BODM No. 3/2020 of BHB

28 August
Announcement of Q2 2020 Results

09

01 September
Announcement on Update on Business Operation in view of Covid-19

15 September
Announcement on Head of Agreement ("HOA") between BHB and MRI VC Berhad

10

22 October
Announcement on Change in Boardroom (Resignation of Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain)

Announcement on Change in Boardroom (Appointment of Tay Ben Seng, Benson)

11

09 November
Announcement on Change in Boardroom (Appointment of Mejar Dato' Ismail Bin Ahmad)

11 November
Announcement on HOA between Brahim's SATS Food Services Sdn. Bhd. and Focus Dynamics Centre Sdn. Bhd.

19 November
AC Meeting No. 4/2020 of BHB
BODM No. 3/2020 of BHB

27 November
Announcement of Q3 2020 Results

07 CORPORATE INFORMATION

Board of Directors
Dato' Seri Ibrahim bin Haji Ahmad
Executive Chairman

Dato' Choo Kah Hoe
Non-Independent Non-Executive Director

Professor Dr Jinap binti Salamet
Non-Independent Non-Executive Director

Kamil bin Dato' Haji Abdul Rahman
Independent Non-Executive Director

Tay Ben Seng, Benson
Non-Independent Non-Executive Director
(Appointed on 22-10-2020)

Mejar Dato' Ismail Bin Ahmad
Independent Non-Executive Director
(Appointed on 09-11-2020)

Ahmad Fahimi bin Ibrahim
Alternate Director to
Dato' Seri Ibrahim bin Haji Ahmad

Audit Committee
Kamil bin Dato' Haji Abdul Rahman
Chairman

Dato' Choo Kah Hoe

Mejar Dato' Ismail Bin Ahmad

Executive Committee
Dato' Seri Ibrahim bin Haji Ahmad
Chairman

Dato' Choo Kah Hoe
Kamil bin Dato' Haji Abdul Rahman

Professor Dr Jinap binti Salamet

Nomination Committee
Kamil bin Dato' Haji Abdul Rahman
Chairman

Dato' Choo Kah Hoe

Mejar Dato' Ismail Bin Ahmad

Remuneration Committee
Dato' Choo Kah Hoe
Chairman

Kamil bin Dato' Haji Abdul Rahman

Professor Dr Jinap binti Salamet

Company Secretaries
Teo Mee Hui
(SSM PC No. 202008001081)
(MAICSA 7050642)

Tan Kok Siong
(SSM PC No. 202008001592)
(LS0009932)

Registered Office
10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur
Tel: 03-2382 4288
Fax: 03-2382 4170

**Business/
Corporate Office**
7-05, 7th Floor, Menara Hap Seng
Jalan P. Ramlee
50250 Kuala Lumpur
Tel: 03-2072 0730
Fax: 03-2072 0732

Auditors
Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Level 10, Tower 1, Avenue 5,
Bangsar South City,
59200 Kuala Lumpur
Tel: 03-2297 1000
Fax: 03-2282 9980

Principal Bankers
OCBC Al-Amin Bank Berhad
IBH Investment Bank Limited

Stock Exchange Listing
Main Market, Bursa Malaysia
Securities Berhad ("BMSB")
Stock Name: BRAHIMS
Stock Code: 9474
Sector: Trading/Service

Share Registrar
Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7890 4700
Fax: 03-7890 4670

Solicitor
Jeffrey Wong & Partners
Unit 47-4, Wisma Ghee Hong
No. 83, Jalan Ampang
50450 Kuala Lumpur
Tel: 03-2072 3630
Fax: 03-2072 7036

08 BOARD OF DIRECTORS' PROFILE

Dato' Seri Ibrahim bin Haji Ahmad
Executive Chairman
Non-Independent Non-Executive Director
Nationality/Age Malaysian/74
Gender Male
Date of Appointment 15 May 2008
Length of Service (as at 28 May 2021) 13 years

Academic/Professional Qualifications

- Master's Degree in Food Technology, Louisiana State University.
- Diploma in Agriculture, University Pertanian Malaysia.
- Former lecturer and founding member of the Faculty of Food Science and Biotechnology, University Putra Malaysia.
- Honoured with the 'Anugerah Usahawan' (Entrepreneurship Award) in 1993.
- Won the Outstanding Entrepreneur Award Asia-Pacific for 2013.
- Lifetime Achievement Award by the Malay Chamber of Commerce in 2017.

Working Experience and occupation

Datuk Ibrahim Bin Haji Ahmad is a former lecturer and a founding member of the Faculty of Food Science and Biotechnology, University Putra Malaysia and subsequently the Head of Corporate R&D at the public company. Datuk Ibrahim has wide experience in food and agro-based industries and had been involved in various professional organizations holding posts such as National Representative to the UNESCO Regional Network for Basic Sciences, Secretary-General of Asean Federation of Food Processing Industries, Member of International Standards Committee SIRIM, Council Member of Malaysian Microbiological Society and Malaysian Institute of Food Technology, besides sitting on various state and federal advisory bodies. Datuk Ibrahim founded Dewina Food Industries in 1986 and steered it to public listing on the KLSE in 1995 after which the company diversified into various food related businesses and went private again in 2002.

Datuk Ibrahim is involved in food manufacturing and institutional catering. He has also formed joint-ventures with Host Marriot to operate Airport F & B outlets and with LSG Sky Chefs to acquire and operate the largest industrial kitchen in the country.

Present Directorship(s) and/or Appointment(s)

- Chairman of Brahim's Holdings Berhad.
- Founder and Executive Chairman of Dewina Holdings Sdn Bhd.
- Chairman of Brahim's SATS Food Services Sdn Bhd.
- Founder-Chairman of Baitul Hayati Charity Foundation.
- Chairman of Food Aid Foundation.
- Deputy President One Belt One Road Association Malaysia.
- Executive Committee Member of Malaysia-Japan Economic Association.
- Member of Malaysia Saudi Business Council.

FYE 2020, the Director has participated in the following continuing Education Programmes:

- 20 February 2020 – Attended, "Briefing on Commercialisation and Adoption of Innovation through TPM's Programmes", at Technology Park Malaysia, Kuala Lumpur

Dato' Choo Kah Hoe
Non-Independent Non-Executive Director
Nationality/Age Malaysian/67
Gender Male
Date of Appointment 15 May 2008
Length of Service (as at 28 May 2021) 13 Years

Academic/Professional Qualifications

- Degree in Company Administration from Sheffield Hallam University.
- MBA from the University of Wales and Manchester Business School.
- Chartered Company Secretary, ACIS.
- Founding and fellow member of the Malaysian Institute of Commercial and Industrial Accountants, FCIA.
- Fellow Institute of Public Accountants, Australia, IPA.
- Fellow Chartered Banker, Asian Institute of Chartered Bankers.
- International Certification in AML/CFT.

Working Experience and occupation

Dato' Choo Kah Hoe started his banking career in 1980. After ten (10) years in commercial banking he ventured into merchant banking for another five (5) years. In 1995 he set up DBS Bank (then known as the Development Bank of Singapore) Offshore Banking Branch in Labuan, Malaysia and grew its business into the top five (5) most profitable overseas operations within a period of three (3) years. In 1999, just after the Asia Financial Crisis, he was seconded to Thailand to manage DBS Thai Danu Bank and was the Deputy President and Executive Director of DBS Thai Danu Bank from 1999 to 2003. In DBS Thai Danu Bank, he personally led the Debt Restructuring Group and Enterprise Banking Group. He was Chairman of the Y2K Task Force Committee and responsible for the Y2K Compliance of DBS Thai Danu Bank. Dato' Choo returned to Malaysia as Country Manager in August 2003.

Present Directorship(s) and/or Appointment(s)

- Director of Brahim's Holdings Berhad.
- Managing Director & CEO, IBH Investment Bank Ltd.
- Chairman of Labuan Investment Banks Group.
- Chairman, Board of Examinations, AICB.
- Member of the Company's Audit Committee.
- Member of the Nomination Committee and Chairman of the Remuneration Committee.

FYE 2020, the Director has participated in the following continuing Education Programmes:

- 3 September 2020 – 2nd Malaysia Anti-Corruption Forum 2020: 'Restoring Trust and Building A Culture of Integrity' at The Everly Putrajaya, Malaysia.
- 23 September 2020 - Webinar from Labuan IBFC on International Tax Developments: Impact on Global Financial Centres.
- 17 & 18 November 2020 – Webinar from Labuan FSA & MITI on Awareness Session on: Targeted Financial Sanctions on Terrorism Financing and Proliferation Financing & Suspicious Transaction Report

Professor Dr Jinap binti Salamet
Non-Independent Non-Executive Director
Nationality/Age Malaysian/67
Gender Female
Date of Appointment 26 June 2014
Length of Service (as at 28 May 2021) 6 years 11 months

Academic/Professional Qualifications

- Professor and the Head of Food Safety Research Centre at Universiti Putra Malaysia (UPM).
- PhD Degree in Food Science from Pennsylvania State University.
- Master's Degree in Food Science from Louisiana State University.
- Diploma in Science and Education from Universiti Pertanian Malaysia.
- Top Research Scientist of Malaysia (TRSM), 2014.
- Malaysia Rising Star Awards (MRSA) – Frontier Research, 2016.
- Fellow, Academy of Science Malaysia (ASM).
- Head of Laboratory of Food Safety and Food Integrity, Institute of Tropical Agriculture and Food Safety, UPM, 2017-present.
- Member of Programme Advisory Panel (PAP) for Master of Science (Food Science) programme , 2017.
- Reviewer in International Journal of Food Microbiology, 2017.
- Reviewer in International Journal of Food Safety, 2017.
- Reviewer in Journal of Food Chem, 2017.
- Tenaga Pengajar (SPTP) Latihan Pengendali Makanan, Kementerian Kesihatan Malaysia, 2017- 2020.

Working experience and occupation

Prof Jinap has a wide experience in food especially in food quality and safety through her teaching, research, and consultancy services. Nationally she has served in committees related to food additives & contaminants, Codex, food regulation, and halal. Currently, she is the Chair of Malaysian Standard (MS) Committee of selected foods under the Department of Standard, and Malaysian Food Analyst Evaluation Committee under the Ministry of Health. She has served as Board Member of Food Analyst Accreditation of Malaysia (2014-2020), UPM Innovations Sdn Bhd (under UPM Holdings Sdn Bhd) (2013 – 2014), Malaysian Cocoa Board (2002 – 2005), and Malaysian Agri High-Tech Sdn Bhd (1999-2020). Internationally, she is involved with many activities including serving as a Board Member & Editor-in-Chief of International Food Research Journal (2002 – 2020) and International Editorial Board for Food Additives and Contaminants Journal (2012 – present), also as a Scientific Panel Member of ASEAN Risk Assessment Centre for Food Safety (2015-2019)

Present Directorship(s) and/or Appointment(s)

She has received many academic and research related awards, including Fellow of Academy of Science of Malaysia (FASc), Top Research Scientist of Malaysia and Malaysia's Rising Star's Frontier Research Award, given to researcher who produces world's highly cited articles in a new field of research. Currently she has H-Index of 46, citation of 7131 and published over 275 of peer reviewed manuscripts in ISI international journal. More than 30 PhD and 25 MSc students have graduated under her main supervision.

FYE 2020, the Director has participated in the following Continuing Education Programmes:

- 18 May 2020 - An Industry Perspective on the Prevention of Food Fraud. Kuala Lumpur
- 19 May 2020 - Assessment using PutraBlast and PutraMOOC, UPM. Serdang
- 18 Jun 2020 - Certified Microsoft Innovative Educator, UPM. Serdang
- 21 Sep 2020 - BRC Global Standard for Safety - Understanding the Requirements, SIRIM. Shah Alam.
- 24 Sep 2020 - Next-Generation Sequencing (NGS) For Food Safety, UPM. Serdang.
- 27 Sep 2020 - Seminar on Food Security, ITAFoS & Lembaga Kemajuan Johor Tenggara (KEJORA). Kota Tinggi
- 24 Nov 2020 - Food Technology and Technologists During the Covid-19 Pandemic: Relevance, Role and Responsibility, Malaysian Institute of Food Technology. Virtual
- 30 Dec 2020 - Meat Industry in Malaysia: Emerging Issues and Challenges, MIFT. Virtual
- 30 Oct 2020 - Opportunities and Challenges for SMEs - Post Covid Strategies In Food Industry, Malaysian Institute of Food Technology. Virtual

Kamil Bin Dato' Haji Abdul Rahman
Independent Non-Executive Director
Nationality / Age Malaysian / 72
Date of Appointment 25 February 2016
Length of Service (as at 28 May 2021) 4 Years 3 Months

Academic / Professional Qualification

- Bachelor of Commerce, University of Otago, New Zealand.
- Chartered Accountant, Institute of Chartered Accountants, New Zealand.
- Chartered Accountant, Malaysian Institute of Accountants.
- Fellow Chartered Secretary, Institute of Chartered Secretaries and Administrators, United Kingdom.
- Fellow, Institute of Company Secretaries Malaysia
- Certificate, Building Contractor, Universiti Putra Malaysia.
- Director Accreditation Programme, Research Institute of Investment Analysts.

Working Experience and occupation

Former Senior vice president of Bank of Commerce (M) Bhd and former Executive Director of Commerce International Merchant Bankers Bhd.

Present Directorships and/or Appointment(s)

- Senior Independent Non-Executive Director and Member of the Audit Committee, Khind Holdings Berhad
- Independent Non-Executive Director and Member of the Audit Committee, Jiankun International Berhad

Tay Ben Seng, Benson
Non-Independent Non-Executive Director
Nationality/Age Malaysian/37
Gender Male
Date of Appointment 22 October 2020
Length of Service (as at 28 May 2021) 7 Months

Academic/Professional Qualifications

- Bachelor of Commerce Degree with a double major in Marketing and Management, Curtin University Technology, Perth.

Working Experience and occupation

In 2012, Mr Benson joined Marquee International Sdn Bhd, a wholly-owned subsidiary of Focus Dynamics Group Berhad (Focus). He spearheaded the expansion of Focus and has been instrumental in the successful yet distinctive brands of Focus. He is extensively involved in the areas of information technology, e-commerce, business development and brand conceptualization of Focus. Subsequently, he was appointed as Executive Director of Focus in 2017. Prior to joining Focus, he has vast experience in numerous fields, ranging from events management to Food & Beverage operations and conceptualizing new start-ups.

Present Directorship(s) and/or Appointment(s)

- Executive Director of Focus Dynamics Group Berhad

FYE 2020, the Director has participated in the following Continuing Education Programmes:

- 28 December 2020 - Refresher on Listing Requirement and Corporate Governance Practices, KL, Malaysia.

Mejar Dato Ismail Ahmad
Independent Non-Executive Director
Nationality and Age: Malaysian / 72
Gender: Male
Date of Appointment: 9 November 2020
Length of Service (As at 28 May 2021) : 6 months

Academics/Professional Qualifications:

- Royal Military College commissioned into the Royal Malay Regiment In 1970.
- Post Grad Diploma in Management Science from National Institute of Public Administration.
- Master in Management from Asian Institute of Management.
- LLB Hons University of Wolverhampton.
- Master of Laws from University of London.
- Post Graduate Diploma in Syariah Law and Practice from UIA.
- Certificate of Legal Practice (CLP)

Working Experience and occupation

Mejar Dato' Ismail served in the Malaysian Army for 17 years and attended courses both local and overseas. In 1983, he joined Perwira Niaga Malaysia (Pernama), a wholly-owned subsidiary of LTAT, a wholesale and international trading company. His last position in Pernama was Deputy General Manager before he left in 1999.

He was the CEO of Odasaja Sdn. Bhd. in its formative year and later became the Group Executive Director of the same. He left Odasaja Sdn. Bhd. in December 2002. Since then he has been actively contributing his knowledge and experience to various companies involved in general trading, building and construction, including defence and security projects.

Mejar Dato' Ismail currently sits on the Board of Mlabs Systems Berhad as a Non Independent and Non Executive Director. He also sits on the Board of Pasukhas Group Berhad as an Independent and Non Executive Chairman.

Present Directorship(s) and/or Appointment(s)

- Mlabs Systems Berhad
- Pasukhas Group Berhad

FYE 2020, the Director has participated in the following Continuing Education Programmes:

- 28 December 2020 – Leadership & Managing Organization Change by Executive Rank (M) Sdn. Bhd.

Ahmad Fahimi bin Ibrahim
Alternate Director to Dato' Seri Ibrahim bin Haji Ahmad
Nationality/Age Malaysian/37
Gender Male
Date of Appointment 1 February 2014
Length of Service (as at 28 May 2021) 7 years 4 month

Academic/Professional Qualifications

- Master's Degree in Business Administration (majoring in Finance), University Putra Malaysia.
- Bachelor's Degree in Creative Multimedia (majoring in Film & Animation), Multimedia University.
- Holds a helicopter commercial pilot's license, having completed over 150 hours of flights training.

Working Experience and occupation

Ahmad Fahimi Bin Ibrahim is a Group Executive Officer at Dewina Holdings Sdn Bhd. A fluent speaker of English and Malay Language, he also has basic understanding of Japanese Language and culture. With the group of companies business interests in Japan expanding rapidly, further training will be done to improve communication skills to ensure smoother business dealings

Present Directorship(s) and/or Appointment(s)

- Alternate Director to Dato' Seri Ibrahim bin Haji Ahmad
- (as at 31 December 2015)
- Group Executive Director at Dewina Holdings Sdn Bhd

12 KEY SENIOR MANAGEMENT'S PROFILE

MOHD FADHLI BIN ABDUL RAHMAN
Chief Financial Officer
Nationality/Age Malaysian/38
Gender Male
Date of Appointment 8 November 2017
Length of Service (as at 28 May 2021) 3 years 7 months

En. Mohd Fadhli Bin Abdul Rahman join Brahim's group in November 2017 as the Chief Financial Officer ("CFO") for Brahim's Holdings Berhad ("BHB"). As the same time, he is also the Chief Operating Officer ("COO") looking into all operational matters of the group.

Throughout his journey within the group, he is now acting Chief Executive Officer ("CEO") for BHB as well as for Brahim's Sats Food Services Sdn Bhd.

He graduated in Diploma in Accountancy from Universiti Teknologi MARA ("UiTM") Merbok and Sri Iskandar in 2003 before completed and become a member of Association of Chartered Certified Accountant ("ACCA") in 2014. He is also an active member of Malaysian Institute of Accountants ("MIA").

He begins his humble career in a small shipping and logistic company where he was responsible for the company accounts before move to a manufacturing company responsible for the same thing.

He started his management career when he joined the biggest retail hypermarket in Malaysia at that time, GCH Retail (M) Sdn Bhd ("Giant") as accountant in 2006. In 2009, he temporarily departed from Giant to one of Malaysia's biggest conglomerates, DRB Hicom Berhad for a short period of approximately 2 years. He returned to Giant in 2011 taking a bigger role and higher responsibilities.

Prior to this appointment, he served as a Vice President of Finance and Administration at Unggul Idaman Berhad. He brings 16 years of experience and a proven track record of success in the Finance, Corporate and Management arena, which will be invaluable in meeting the Group goals and objectives.

With in-depth knowledge in corporate finance and operational accounting and 10 solid years of experience in top management position, being exposed to all kind of background including manufacturing, construction, retail, FMCG and trading, which believe to bring some advantage to the Group. He does not hold any directorship in other public companies and listed issuers in Malaysia. He has no family relationship with any Directors and/or major shareholder of the Company. He has no convictions of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. Also, he has no conflict of interest with the Company

ADDITIONAL INFORMATION

Family Relationship with any Director and/or Major Shareholder

None of the directors have family relationship with any other directors or major shareholders of the Company except for the alternate director Ahmad Fahimi bin Ibrahim who is the son of the Executive Chairman.

Conviction for Offences (within the past 5 years, other than traffic offences)

None of the directors have any conviction for offences other than traffic offences, if any.

Conflict of Interest

None of the directors have any conflict of interest with the Company.

Material Contracts

There were no material contracts entered into by the Company and/or its subsidiary companies which involve directors' and major shareholders' interests for the financial year ended 31 December 2020.

Related Party Transactions of a Revenue or Trading Nature

There were no recurrent related party transactions entered into by the Group during the financial year ended 31 December 2020.

Variance of Actual Profit from the Forecast Profit

There was no forecast profit announced pertaining to the financial year.

Internal Audit Function

Please refer to Statement on Risk Management and Internal Control.

Audit and Non-Audit Fees

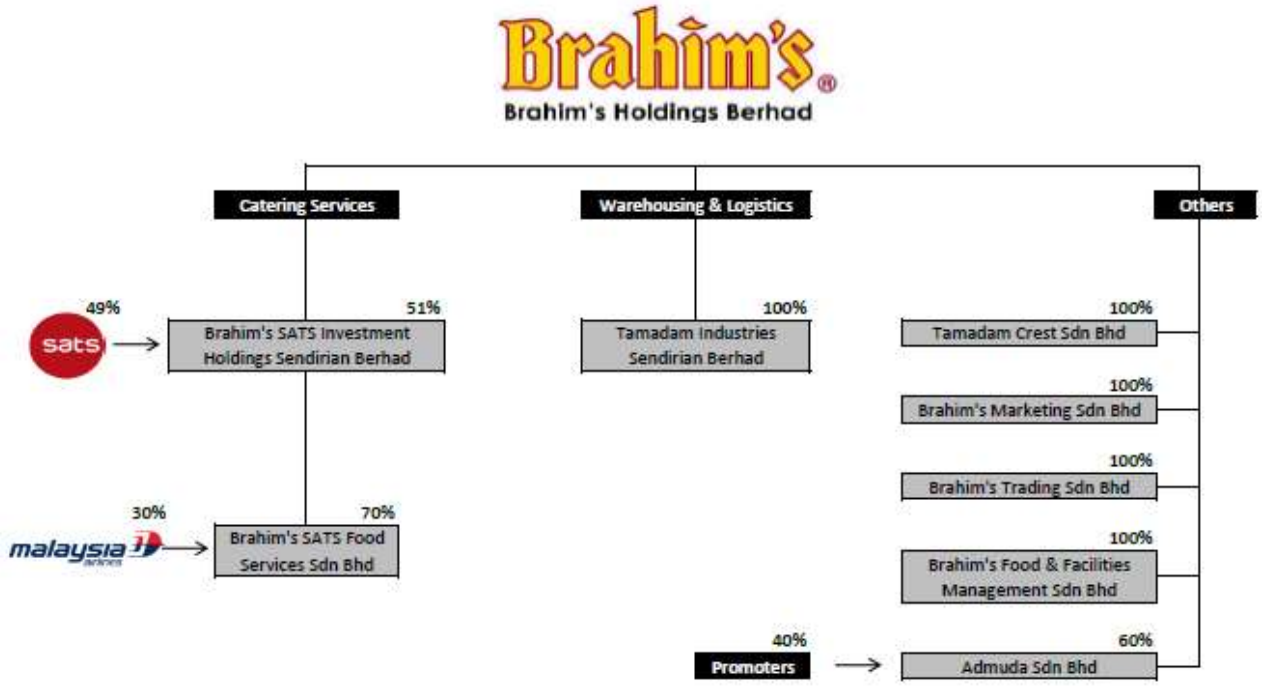
The auditors' remuneration including non-audit fees for the Company and the Group for the financial year ended 31 December 2020 are as follows:

Details of Audit Fees	Group	Company
	(RM'000)	(RM'000)
Statutory Audit Fees	335	125
Non-Audit Fees	25	25
TOTAL	360	150

Company	Principal Activities	Relationship
IBH Investment Bank Limited ("IBHB")	Labuan Investment Banking	a) Dato' Seri Ibrahim bin Haji Ahmad Director and major shareholder of BHB and a substantial shareholder (80%) of IBHB b) Dato' Choo Kah Hoe Director and indirect shareholder of BHB and a substantial shareholder (20%) of IBHB

13 CORPORATE STRUCTURE

Brahim's is acknowledged as a global and Malaysia's leading HALAL inflight catering company and major operator of restaurants and cafes in KLIA and KLIA2. Brahim's serves Domestic & international commercial airlines out of KLIA and Penang with MAB as its major customer.



14 MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION

Brahim's Holdings Berhad ("BHB") is an investment holding company to the country's leading halal in-flight catering company through its 51% equity interests in Brahim's SATS Investment Holdings Sdn Bhd ("BSIH") which in turn owns 70% of Brahim's SATS Food Services Sdn Bhd ("BSFS") and to its original warehousing and logistic business known as Tamadam Bonded Warehouse located in Port Klang through its 100% equity interest in Tamadam Industries Sdn Bhd ("TISB").

The Group is currently formulating and strategizing the regularization plan in order for BHB to be released from its Practice Note 17 ("PN17") status. On 28 February 2019, the Company announced that the Company had triggered the prescribed criteria under Paragraph 2.1(a) of PN 17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"),

"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"

The Company is required to submit a regularization plan to Securities Commission Malaysia and Bursa Securities by 27 February 2020.

With a mixture of extension of time application and Bursa Securities updates on the on-going Movement Control Order, current due date for submission to Securities Commission Malaysia and Bursa Securities is by 27 August 2021.

The Group is in its revolution phase and will continue to seek out potential prospects driven by the core competencies and strength in both catering and food services as well as warehousing and logistics related business to broaden and deepen the Group's earning base

EXECUTIVE OVERVIEW

	(RM'000) 2020	(RM'000) 2019	% Change
Statement of Comprehensive Income			
Revenue	82,389	305,798	(73.1)
Direct operating expenses	(89,628)	(208,626)	(57.0)
Gross Profit	(7,239)	97,172	(107.4)
Other Income	673	987	(31.8)
Less: Distribution expenses	-	-	(1.0)
Administrative expenses	(75,090)	(80,591)	(6.8)
Other operating expenses	(130,810)	(18,840)	594.3
Finance costs	(6,707)	(8,390)	(20.1)
Share of results in joint venture	-	903	(100.0)
(Loss)/Profit before taxation	(218,814)	(7,907)	2,667.3
Zakat	-	(181)	99.0
Income tax (expense)/credit	(19,463)	(5,412)	259.6
Net loss after tax	(238,277)	(13,500)	1,665.0
Comprehensive (loss)/income			
- attribute to Owners of the Company	(107,029)	(15,353)	597.1
- to non-controlling interest	(131,248)	1,853	7,183.0
Statement of Financial Position			
Property, plant & equipment	37,620	66,982	(43.8)
Goodwill on consolidation	84	102,354	(99.9)
Trade and other receivables	11,602	63,950	(81.9)
Deposits with licensed financial institutions & cash/bank balance	11,436	44,725	(74.4)
Total assets	64,903	298,683	(78.3)
Total liabilities	191,965	187,468	2.4
Equity attributable to owners of the company	(86,644)	20,385	(525.0)

In this discussion and analysis, management would like to put an emphasis on matter which bring the attention towards the current performance as well as the future potential of the Group.

The statements, discussion and analysis made and expressed are not based on historical facts, but rather represent the opportunist, optimism, beliefs and commitment with regards to the future events, many of which, by their nature, are inherent uncertain and outside of management controls.
This information includes statements of current condition and may narrate to the future plans and objectives of the Group.

Commentary:

In FY2020, the results of the Group had significantly worsen as compared to FY2019. This was mainly due to the unprecedented Covid-19 pandemic implication. The Group only registered a consolidated turnover of RM82.39 million as compared to RM305.80 million for FY2019. With the current landscape which translated to huge uncertainties to the aviation industries for probably years to come, on top of the circumstances and PN17 status condition, the Group need to divert the business concentration and operational to be more focus on the non-aviation or commercial customers.

On the warehousing business, it is believed that the business needs to be revive and reinvest taking the opportunities of the current movement controls order ("MCO") and the raise in demand for warehousing and logistic business.

Managements are urge to put more emphasis to these new focus of the businesses. These efforts are anticipated to increase the Group's revenue and income.

The Group recorded a net loss per share of 45.3 sen for the financial year ended 31 December 2020, compared with a net loss per share of 6.5 sen for the year ended 31 December 2019. This unfavorable and deteriorate result was also due to the impairment losses of goodwill exercise amounting RM102.27 million. With this impairment, the Group now only carried a marginal Goodwill of RM84,000 in relation to the other businesses than the airline catering.

Return on Shareholders' Equity (ROE) was -1.24 for 2020 as compared to 0.75 for 2019. Share price drop by approximately 32.3% to RM0.21 as compared to the 2019 closing at RM0.31

Key Financial Ratio	(RM'000)		
	2020	2019	% Change
Liquidity			
Working capital (RM'000)	(150,143)	(62,680)	139.54%
Quick ratio	0.13	0.61	-78.69%
Current ratio	0.15	0.66	-77.27%
Net sales per working capital	(0.50)	(4.90)	-89.80%
Leverage/Gearing			
Debt-to-equity ratio	0.97	(4.71)	-120.59%
Coverage			
EBITDA	(190,407)	29,069	-755.02%
EBITDA/Int Exp + CPLTD	(2.21)	0.34	-750.00%
Profitability			
Return on sales (%)	-289.20%	-4.40%	6472.73%
Return on assets (%)	-367.10%	-4.50%	8057.78%
Return on equity (%)	-123.50%	75.30%	-264.01%
Gross profits margin (%)	-8.80%	31.80%	-127.67%
Operating expenses (%)	-358.70%	-100.70%	256.21%
Operating profit margin (%)	-257.90%	-0.40%	64375.00%
Profit after tax margin (%)	-289.20%	-4.40%	6472.73%
Dividend payout rate (%)	0.00%	0.00%	0.00%
Activity ratio			
Interest coverage ratio	(31.68)	(0.15)	21020.00%
Receivables turnover ration (days)	38.00	68	-44.12%
Payables turnover ration (days)	(167.00)	(63)	165.08%
Asset turnover (net sales/total assets)	1.27	1.02	24.51%
(Loss) before tax/total assets (%)	-337.10%	-2.60%	12865.38%
Growth (%)			
Total assets growth	-78.30%	6.10%	-1383.61%
Total liabilities growth	2.40%	19.50%	-87.69%
Net worth growth	14.20%	-10.80%	-231.48%
Operating profit growth	16603.30%	-98.90%	-16887.97%
Net profit after tax growth	1665.00%	-88.40%	-1983.48%
Sustainable growth	-123.50%	75.30%	-264.01%
Other Financial Indicators			
NA per share (RM)	0.47	0.41	14.63%
EPS (sen)	(45.30)	(6.50)	596.92%
Share price at year end (RM)	0.21	0.31	-32.26%

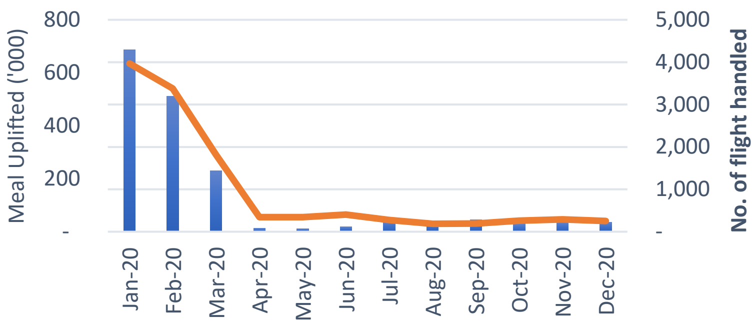
BUSINESS OPERATIONS REVIEW

BSFS is the principle inflight catering service provider at KLIA, KLIA2 and Penang International Airport.

In 2020, contractually BSFS continue to serves 35 international airlines with Malaysia Airlines Berhad ("MAB") remaining as the major customer.

Other airlines include Emirates Airlines, Air Asia X, Malindo Air, Air Asia, Cathay Pacific, Turkish Airlines, British Airways, Cathay Dragon, Vietnam Airlines, All Nippon Airlines, Oman Air, Mahan Air, Japan Airlines, Garuda Indonesia, Eva Air, China Airlines, China Southern, Korean Air, Pakistan International Airlines, Xiamen Airlines, Air Mauritius, Thai Smiles, Uzbekistan Airways, Nepal Airlines, Ethiopian Airlines, Iraqi Airways and Air Hong Kong.

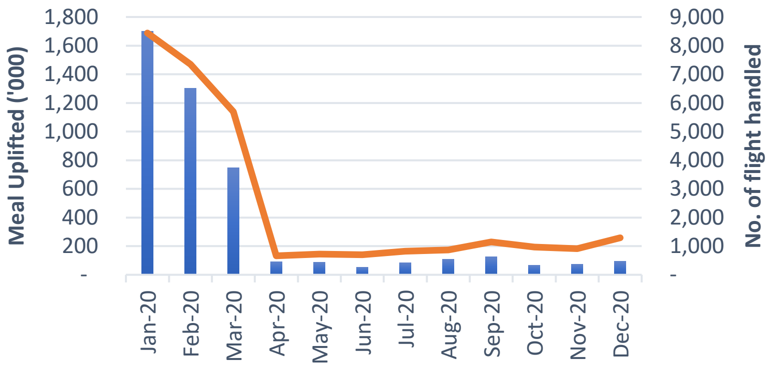
Table 1 - Quantity and no of flights catered - Foreign Airlines except MAB



However, only a few were active throughout the whole year as due to Covid-19 pandemic.

For 2020 BSFS caters to an average of only 70 aircraft per day and prepares an average of only 5,000 inflight meals per day from its halal inflight kitchen located at KLIA and Penang International Airport.

Table 2 - BSFS Total Activity Summary 2020



As normally practiced, menus are still planned in collaboration with the inflight services team from the customer airline who will stipulate their requirements.

The chefs at BSFS will then suggest and propose recipes and meals modification taking into consideration the local raw ingredients and produce available.

A food sampling and testing session is then arranged before a new menu is finally adopted and implemented. BSFS's inflight kitchen is categorized into 3 main departments, namely the hot kitchen, the cold kitchen and the pastry and bakery kitchen.

These kitchens produce a combination of hot meals, cold salads, desserts, bread and pastries. The operations in the kitchen are enhanced by modern equipment and halal dishwashing equipment i.e. "Sertu".

Continue to operate 24 hours daily in 2020, despite the pandemic implication, with maximum capacity of about 60,000 meals per day, BSFS is exploring to revamp up the meals production numbers by few collaborations and new business exploration with mostly business to business commercial customers. BSFS prides itself as a globally recognised 100% halal certified inflight kitchen with a fully halal compliant integrated food logistics supply chain.

Besides food, BSFS also provides cabin handling services covering laundry services for pillows and blankets, filling the cabin trolley with items for inflight sales as well as providing passenger headsets, newspapers and periodicals. Currently with about 350 staff operating from a 59,806 sq. metres complex in KLIA, BSFS is still the world's largest halal inflight kitchen and has won many international awards for quality and excellence.

The Group's FY2020 operating statistics are tabulated In Table 1 & 2

Warehousing and Logistics

Tamadam is a premier Malaysian logistics services provider with a complete range of products at a reasonable price. Incorporated in 1982, Tamadam is one of the logistics companies in Malaysia. Tamadam was listed on the Kuala Lumpur Stock Exchange in 1994 under Tamadam Bonded Warehouse Berhad. Tamadam was founded by Yang Mulia Dato' Seri Tunku Mahmud bin Tunku Besar Burhanuddin.

Tamadam is located on 15.134 acres of land with a build-up area of 218,357 square feet comprising a warehouse 205,000 square feet rack able storage area, 3-storey office (12,000 square feet) and a covered loading bay (34,400 square feet). The warehouse is gigantic with a height of 45 feet and equip with 44 loading bays. This bonded warehouse is divided into 4 blocks that is block A, B, C and D. Block A and B are bonded warehouse whilst block C and D are non-bonded areas. The biggest block in Tamadam is C which has an area of 76,700 square feet.

Tamadam is totally focused on providing services with competitive pricing. This is achieved through economies of scale, being a one-stop logistics services provider, smart use of technology taking into account the local environment and maximizing value from investment in assets.

Table 3 - Historical Statistics

	2013	2014	2015	2016	2017	2018	2019	2020
Meals uplifted (in Millions)								
Total Meals	16.97	17.89	16.08	16.56	18.62	17.92	20.38	4.5
From MAB	11.48	12.08	10.66	9.96	9.42	8.61	10.7	2.5
From FOCA	5.49	5.81	5.3	5.59	8.05	8.35	8.9	1.8
From Non-Airline			0.12	1.01	1.16	0.96	0.78	0.2
Total Flights handled								
Total Flights	78,123	83,659	82,264	77,890	98,200	98,879	98,511	29,575
From MAB	55,967	60,028	57,780	51,027	49,424	46,520	48,274	14,227
From FOCA	22,156	23,631	24,484	26,863	48,776	52,359	50,237	15,348
Staff Strength								
Headcount	1,142	1,133	1,226	1,167	1,334	1,319	1,347	298

Table 4 - Extracts from Statement of Comprehensive Income and Statement of Financial Position

	2020	2019	2018	2017
Statement of Comprehensive Income				
Revenue	82,389	305,798	274,271	291,563
COS	(89,628)	(208,626)	(191,046)	(159,467)
Gross Profit	(7,239)	97,172	83,225	132,096
Operating (loss)/profit	(212,466)	(1,272)	(116,824)	7,151
(Loss)/Profit before taxation	(218,814)	(7,907)	(121,145)	678
Loss after taxation	(238,277)	(13,500)	(115,993)	(2,168)
Profit attributed to owners	(107,029)	(15,353)	(61,581)	(6,937)
Depreciation	(21,699)	(28,585)	(6,884)	(7,932)
Operating expenses	(205,900)	(99,431)	(200,688)	(126,323)
Finance cost	(6,707)	(8,390)	(5,912)	(6,969)
Statement of Financial Position				
Inventories	3,304	8,096	7,451	6,259
Current assets	27,199	119,643	89,849	98,028
Current liabilities	(177,342)	(182,323)	(146,461)	(59,232)
Total assets	64,903	298,683	281,585	371,309
Total liabilities	(191,965)	(187,468)	(156,870)	(127,955)
Share capital	(268,266)	(268,266)	(268,266)	(268,266)
Equity attributable to owners	(86,644)	20,385	35,738	(98,812)
Net worth / Total Equity	(127,062)	(111,215)	(124,715)	(243,354)
Receivables	11,602	63,950	51,661	61,925
Payables	(88,671)	(76,661)	(66,484)	(47,904)
Bank overdrafts		-	(587)	(976)
Current portion Term loan	(79,397)	(77,184)	(71,445)	(9,626)
Non-current portion Term loan		-	-	(67,750)
Current portion HP & Lease	(1,757)	(15,006)	(662)	(92)
Non-current portion HP & Lease	(2,972)	(3,792)	(2,749)	(356)
Trade receivables	8,519	57,216	46,158	50,883
Trade payables	(40,787)	(36,063)	(32,151)	(25,665)

BUSINESS ENVIRONMENT

The global economic recovery is gaining momentum. There has been considerable progress in containing the COVID-19 pandemic, underpinned by rollouts of vaccination programmes in many countries, which are lifting confidence and signalling a gradual return to normalcy. Policy stimulus continues to provide support to economic activity. International trade has also recorded significant improvements.

For Malaysia, the expectation is for the economy to recover in 2021, with growth ranging from 6.0 - 7.5%. Growth will be underpinned by stronger external demand and higher private and public expenditure.

The rollout of the National COVID-19 Immunisation Programme will improve confidence and support the economic recovery. Malaysia's integration in fast-growing segments of global value chains and diversified external trade structure, as well as continued policy support would be key factors in driving the rebound in economic growth in 2021.

While heightened downside risks to growth remain, the immediate policy focus of the Bank is to facilitate a strong and sustainable recovery and minimise permanent output losses. Monetary policy in 2021 will therefore remain accommodative to support an enhanced and sustained economic growth. Although headline inflation is expected to rise, it will be driven mainly by supply side factors. Underlying price pressures, on the other hand, will remain subdued with core inflation projected to be between 0.5 – 1.5% amid spare capacity in the economy.

The Bank will continue to utilise its policy levers as appropriate. Even with the OPR at its current historical low of 1.75%, monetary policy space remains adequate to provide additional support to the economy if needed.

The Bank will be mindful to avoid a premature withdrawal of monetary policy support. This is complemented by the availability of the Bank's various liquidity management tools, targeted financial policies and regulatory flexibilities.

All these afforded the Bank with sufficient flexibility to respond to risks using the most appropriate policy tool.

On the other hand, it has accentuated gaps in our labour market and social protection system. As a nation, this is an opportunity to accelerate the execution of long-term structural reforms and pivot towards a more sustainable, resilient and agile economy. The EMR 2020 includes four box articles covering issues critical and relevant in the post-pandemic period:

- Structural issues in the labour market post-pandemic.
- Innovation towards higher quality growth.
- The social protection system in Malaysia.
- Asset purchases by the Bank.

Innovation Towards Higher Quality Growth

Quality Investment and Innovation-led Growth

Within the context of the economy's unique experience, Malaysia is adopting the National Investment Aspirations (NIAs), a forward-looking national policy aimed at attracting the right investments, building innovation capacity and increasing both productivity and growth.

Some promising steps have been taken by the Government. Notably in Budget 2021, higher development expenditure has been allocated to fund high value-added technology as well as research and development (R&D) in sectors such as aerospace and electronics. In addition, Bank Negara Malaysia has also established the High-Tech Facility-National Investment Aspirations (HTF-NIA) to provide financing support to high technology and innovative SMEs to remain competitive in the global supply chain.

Identifying the Right Activities

Moving beyond a sectoral focus, Malaysia needs to invest in activities and acquire knowledge and capabilities that increases sophistication and income levels over time. This can be undertaken by (i) strengthening activities that meet the NIAs; (ii) diversifying into more complex products and (iii) employing a mission-based investment approach that harnesses cross-industrial contributions towards a single economic objective.

i) Quality investments in activities that meet the NIAs

Building on the overarching focus on quality investments outlined under the NIAs, investments need to be targeted more toward knowledge-intensive and tech-intensive activities. These include information and communication technology (ICT), manufacturing of E&E products, chemical-related products, renewable energy, refined petroleum, machineries and transport equipment. Notably, downstream chemical and ICT industries demonstrated not only high NIA scores, but also significant industrial linkages that generate greater spillovers to the wider economy. Investments should aim to facilitate the "functional upgrading" of Malaysia's business proposition in global value chains, in particular by deepening the contribution from business services activities, including R&D, design and development and engineering services.

ii) Diversifying into More Complex Products

For Malaysia, there are ample opportunities to strengthen its ECI further, given its existing exports strength and capabilities. The Atlas of Economic Complexity outlines many potential growth opportunities. Malaysia could adopt a balanced growth strategy by focusing on (i) exploiting 'low hanging fruits' from existing know-hows and production capabilities established over the years; and (ii) concurrently taking 'long jumps' by encouraging domestic firms to upgrade their technological capabilities and venture into areas that develop new competitive advantages. While this is typically a high-risk strategy, it can be more rewarding in the long-run as it deepens Malaysia's contribution within global supply chains and advances partnerships with leading academia and industry leaders for knowledge diffusion.

iii) Employing a mission-based investment approach

A 'mission-oriented approach' to organizing an investment collaboration network in Malaysia can create a higher economic multiplier than funding for a single technology or sector. It leverages on private sector R&D and investment spending across multiple sectors into new, high growth areas of the economy. This supports the establishment of a constellation of innovative fi rms across different sectors instead of a single national champion (O'Riain, 2004). The mission-oriented approach is particularly relevant for systemic public policies that draw on frontier knowledge to attain specifi c goals, or "big science deployed to meet big problems" (Mazzucato, 2018 and Ergas, 1987). Such mission-oriented strategies characterised some of the success observed in countries such as the US, with the iconic NASA space mission to the moon in the late 1960s. This momentous mission required participation by multiple sectors, from semiconductors to advanced materials in the textile industry.

A mission-oriented approach identifies a specific issue as well as the related solutions to address it. An example of this is the European Commission's mission to address climate change by having 100 carbon neutral cities across the EU by 2030 announced in September 2020 (European Commission, 2020), necessitating new investment across multiple sectors, such as energy, food, transportation and real estate.

There are 5 key characteristics in a mission-based approach (Mazzucato, 2018):

(i) bold and inspirational with wide societal relevance;
(ii) clear timeframe with targeted, measurable and time-bound action;
(iii) ambitious, realistically feasible and incorporates feedback effects between basic and applied research;
(iv) framed to spark multi-disciplinary innovation, across different industrial sectors and different types of actors; and
(v) bottom-up experimentation involving a portfolio of research and innovation projects.

Key US government agencies such as the Defense Advanced Research Project Agency (DARPA) and NASA's Jet Propulsion Laboratory (JPL) were major examples of using a mission-oriented approach in the development of critical technologies prevalent today, such as the Internet, global positioning system (GPS), robotic technology and a global satellite system (Mazzucato, 2015).

Recognising this, other countries in recent years, including the UK, Japan, India and China have embedded a mission-oriented approach in their industrial strategy, largely anchored in the overarching goal of creating an innovation ecosystem. Based on these principles, Malaysia should consider utilising a mission-oriented approach as an investment strategy in innovation by identifying the next 'moon-shot' for frontier technology and innovative activities. Potential frontier technology areas for Malaysia include bioscience technology, neurotechnology, advanced pharmacology, augmented reality, additive manufacturing, artificial intelligence, robotics, battery technology, big data analytics, Internet of Things (IoT), additive manufacturing, and other advance manufacturing systems.

(Source – Extracts: Bank Negara Malaysia Economic and Monetary Review 2020, Innovation towards higher quality growth)

Significant Accounting Policies

The adoption of the new accounting standards and interpretations (including the consequential amendments) are fully outlined in Note 2 to the Financial Statements.

Results of Operations

The following discussion is on the operations results of the major subsidiaries.

Catering Services

The revenue for catering services segment for 2020 was RM74.941 million from RM297.781 million in 2019. The significant reduction in revenue was mainly due to the unprecedented Covid-19 pandemic that hit the whole world and give huge implication especially on the aviation and hospitality related industries.

The outlook for this segment is anticipated to continue to be uncertain for at least another year as the evolvement of the virus strain will give direct reflection on how will the whole world react to the virus. Regardless of the availability of the vaccine, until the world herd immunity reaches at least 80% of the total world population, the travelling will continue to be under control and restrict situation and circumstances. It is anticipated that the travelling landscape will change and perhaps again only become available to a different class of people as what the world has experience before.

Warehousing and Logistic

The logistics segment continues looking into expansion and revamping the whole business structure and at the same time maintaining all existing customers and volume. This will contribute positively to the revenue of the company as well as the Group.

Statement of financial position and funding sources

With the capital deficit position, and significant reduction of the total assets, the focus quickly swift to the risk management on the composition of the Statement of Financial Position as well as the ability to source for new funding. While the external auditors have expressed their disclaimer opinion with significant doubt on going concern, the sustainability of the business and capital injection has become the utmost priority to the group at this moment. In accessing the position, the Group reflects on (i) our ability to tolerate risk, (ii) our ability to access alternative funding sources and (iii) the mix of debt and equity in our capital risk management to seize new business opportunities. As the Group is trying to recover from current position, it is critical for the Group to have an efficient capital management mechanism and a strong finance function to dynamically manage assets and liabilities, including:

- Quarterly planning and review
- Business specific limits
- Setting and monitoring key metrics; and
- Scenario planning and analysis

In this context, the Group has since 2012 established an Executive Board as to execute the above functions.

Overview and Structure of risk management

The Board acknowledges its overall responsibility of maintaining BHB's system of internal control, which provides reasonable assessment of effective and efficient operations, risk management practices, internal financial controls and compliance with laws and regulations, as well as with internal procedures and guidelines, to safeguard the shareholders' investments and the Company's assets. However, due to the complexity and management of a wide range of risks, the nature of these risks means that events may occur which could give rise to unanticipated or unavoidable losses. It should be noted that the Company's system of internal control and risk management are designed to provide reasonable but not absolute assurance against material misstatement, frauds or losses. The rationale of the system of internal controls is to enable the Company to achieve its corporate objectives within an acceptable risk profile and cannot be expected to eliminate all the risks.

Risks factors that may affect our business

Overall, the unprecedented Covid-19 pandemic will continue to give adverse implication to the business as a whole. With continuous movement control orders ("MCO") from 1.0 to now 3.0, global economy could have an inevitable and unfavorable impact especially on the aviation related industries which give direct implication to our catering services. As highlighted previously, concern over potential acts of terrorism and epidemic or pandemic outbreaks could also serve to hurt the air travel industry and undermine our core businesses, which now the Group are facing with one. Rising cost, implementation SST and competition are also common risk factors within the food-related industry. In that respect, we have always possessed the core competencies, drawing on our experience and knowledge in food services and established relationships with our business partners and customers, to mitigate such business risks.

21 CORPORATE SUSTAINABILITY STATEMENT

In steering our business towards future sustainable practices, Brahim's aspires to be recognized as a Group dedicated to making a positive difference in the communities we live and work in. Our core values of honesty, integrity and respect for people define who we are and how we work. These values have been our foundation for more than three decades including a commitment to support our staff and communities, and at the same time to contribute to the environment.

We believe in making a positive impact in the communities we live and work in; Commitment, Respect, Integrity, Sustainability and Performance (C.R.I.S.P) forms our core values and define us as a whole. These values have always been a part of our foundation and serves to guide us towards excellence.

Our corporate responsibility drive focuses on the workplace, environment and community. As Brahim's is merely an investment holding company, the bulk of its corporate responsibility activities are carried out its key venture in Brahim's SATS Food Services Sdn Bhd ("BSFS").

WORKPLACE

We value a work environment where diversity is embraced, where opportunities to develop are widely available, where positive attitudes and an entrepreneurial spirit are valued, and a healthy work and lifestyle balance encouraged.

The Group believes and promotes honesty and ethical practices. Our Code of Ethics is shared throughout the Group, from top management to members of the staff. We believe in making a positive impact in the communities we live and work in; Commitment, Respect, Integrity, Sustainability and Performance (C.R.I.S.P) forms our core values and defines us as a whole.

BSFS, as the principal employer within Brahim's Group is a staunch believer of social diversity and provides equal employment opportunities no matter the gender, ethnicity, age or disabilities.

As at end 2020, BSFS employed 618 staff. The demographics are as follows:

Age Range	Male	Female
Above 50 years old	68	6
Between 41-50 years	216	79
Between 31-40 years	91	27
Below 30 years old	91	40
Grand Total	466	152

Safety is integral to our operations. We are committed to ensuring the highest standards that there are minimum health and safety risks to our employees and the general public who come into contact with us during visits, audits or meetings. To achieve this, we promote safety, health and environment awareness in our employees and take preventive measures. BSFS also held training and briefing programmes on Health and Safety as required by Civil Aviation Authority of Malaysia (CAAM) and Department of Safety & Health (DOSH) to educate supervisors and leaders about creating a safe working environment.

ENVIRONMENT

Pandemic Covid-19 has greatly impacted on aviation sector with closing on domestic and international border and highly increases on the Covid-19 cases that changed the culture and environment in the BSFS itself. The company need to ensure all employees is fit to work and following all Standard Operating Procedure (SOP) as one of step to tackle the contagious epidemic among employees. BSFS Covid-19 committees have been form to monitor the Covid-19 cases and all procedures need to be applied and follow in workplace.

All the employees have been Swab test under *Program Saringan Prihatin Perkeso* and the results showed no positive Covid-19 among employees. This result came from strictly SOP and cooperation from all employees to ensure all direction and procedure is being follow.

In line of the SOP and good practices BSFS continues the exercises of procurement policies with minimal negative impact to the environment. Our suppliers are selected based on their quality and commitment and undergo audits to ensure their standards. For items that are labeled as non-perishable, deliveries are lower in frequencies but in higher volumes. Basic items are consolidated to a few dedicated suppliers to reduce transportation emissions and ensure higher efficiency.

We manage our GreenHouse Gas ("GHG") in compliance with the Environmental Quality Act (Clean Air) Regulations 2014 by replacing energy-hungry incandescent light bulbs with more energy-efficient florescent light bulbs and L.E.D. Office equipments such as computers, printers and fax machines are turned off after work hours.

Materials such as paper, plastic, metals and organic materials are also separated to be recycled. Vehicles under BSFS undergo regular maintenance to ensure that the fuel emissions are within acceptable ranges.

Scheduled wastes and effluents are responsibly disposed at prescribed premises; with solid wastes disposed an average of nine times a day and liquid wastes such as used oil are collected and properly disposed by the vendor. All wastes produced by BSFS are non-hazardous.

In 2020, BSFS consumed average 20,000 cubic metres of water largely in food processing and cleaning activities. The organization practices a non-waste policy of water conservation by using sensor taps and regularly checks faucets and pipes for leaks. Any leakages detected are to be addressed swiftly.

Likewise on energy usage, BSFS monitors its energy consumption diligently and adopts efficient cooking and washing (Samak Washing Equipment for airline inflight utensils) methods.

COMMUNITY

The Group believes in not only providing and maintaining an engaging work environment for our employees, but also to make a difference in the communities we live and work in.

In line with our views, we support non-profit and charity organizations to help with their awareness and fund-raising programmes.

Skills and experience are assets to any individual. As such, the Group trains and employs fresh graduates to educate and train them to help raise the quality of our staff and youth, as well as to provide them with better opportunities.

The Group also provides employees with disabilities work and experience the same quality of life as their peers.

We believe in supporting and giving back to society. During the year our subsidiary BSFS was active in conducting both internal and external programs for the benefits of the community and staff.

A more detailed calendar of activities for the year 2020 is listed as follows:

BSFS Culinary Run 2020 (15 February 2020)

The company has organized a BSFS Culinary Run aimed at creating healthy lifestyle practices in the workplace. In addition to strengthening the relationship between management and staff. This program can help improve the ability to work in an active and fit state and be able to do daily work with more focus.

Career Transition Programme (22 June 2020)

This programme is being held to give right support to employees that involve in Mutual Separation Scheme (MSS) that will enable them to handle their transition into post-employment and assist them to re-orient to the present job market or managing their own businesses. As such, this "Career Transition Programme" is organized to facilitate and prepares the employees to move on to their next career.

MSS Appreciation Ceremony “Majlis Jasamu Dikenang” (29 June 2020)

The main focus in making this event a success is to commemorate the services and contributions of the staff throughout their service at BSFS. The program creates as appreciation for their contribution to the company.

Building Resilient Workforce (01 July 2020)

Building resilient workforce is a program for employees that continuous stay in the company.

Due to the substantial reduction in the total manpower, together with the expected reduction in salaries, some of the employees may be worried that they do not have the knowledge and skills necessary to take on either new or job enlargement.

While others may be worried about spending more time and energy to take on multi task with less take-home pay. Nevertheless, the management wants to make sure that all employees that continue with the company will be in the right frame of mind and also be well prepared to move ahead with the company.

As such, this program is designed to prepare and prime them to take on the challenges ahead.

Basic Occupational First Aid CPR Courses (27 Aug 2020)

A total of 25 staff participating the courses undergo 2 day training course that train the employees to become a qualified first aider. The participants have been taught on basic life support skill such as CPR & Choking and other first aid related topics. By having qualified first aider in the organization will help to minimize injury by giving proper treatment before ambulance arrive or might save others people life. This course provided with added value to the employees that emphasizes self-skill development.

Business Thinking & Digital Marketing Courses (07 Sept 2020)

Due to pandemic Covid-19 company looking to find alternative revenue streams to keep the business going.

One of the initiatives is to turn to the commercial business in various forms. This training to optimize on marketing efforts in finding new and different way to market. It opened up a new form of media which to peddle goods and services.

Swab test under *Program Saringan Prihatin Perkeso* (18 Nov 2020)

Company giving full support to this program that being held by Social Security Organization (SOCSO) which is for all employees to have their Covid-19-PCR screening test. This is one of the alternative to break the Covid-19 chain in workplace.

23 CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Brahim's Holdings Berhad recognises the importance of practicing the highest standards of Corporate Governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value with corporate accountability and transparency. As such, the Board continues to affirm its commitment in adhering to the Principles and Best Practices set out in the Malaysian Code on Corporate Governance 2017 ("the Code"). Set out below is a description of how the Group has applied the Principles of the Code and how the Board has complied with the Best Practices set out in the Code throughout the financial year ended 31 December 2020. This Statement is to be read together with the CG Report 2020 of the Company which is available on the Company's website at www.brahimsgroup.com

THE BOARD STRUCTURE, DUTIES AND EFFECTIVENESS

Board Size, Leadership and Competencies

An experienced and effective Board consisting of mainly Non-Executive members with a wide range of skills and experience from financial and business background to lead and control the Group. The directors bring depth and diverse expertise to the leadership of the challenging and highly competitive inflight catering, restaurant operations, logistics and warehousing businesses.

The Board continues to give close consideration to its size, composition, spread of experience and expertise. No individual or group of individuals dominates the Board's decision making. This is to ensure that issues of strategy, performance and resources are fully discussed and examined to take into account the long-term interests of stakeholders of the Company.

As at 31 December 2020, the Board size of seven (7) members comprises the Executive Chairman, three (3) Independent Non-Executive Directors, two (2) Non-Independent Non-Executive Directors and Alternate Director to Executive Chairman. The composition of the Board meets the criteria on one-third independent directorship as set out in the Main Market Listing Requirements.

The composition of the Board is equal comprise of Non-Independent Directors, including that of the Executive Chairman and Independent Non-Executive Directors.

Throughout the financial year 2020, decisions made at Board level were arrived based on presentations, analyses and recommendations from the respective Board Committees.

The two (2) Board Committees comprised of a majority of Independent Non-Executive Directors.

The above practice adhered to the Malaysia Code on Governance 2017.

Clear Functions of the Board and Management

The Board owes the fiduciary duties to the Company and, while discharging its duties and responsibilities, shall individually and collectively exercise reasonable care, skill and diligence at all times.

The principal responsibilities of the Board of Directors of the Company are as follows:

- Approval of financial results
- Dividend policy
- Issuance of new securities
- Annual business plan
- Annual financial budget
- Acquisition or disposal of material fixed assets
- Acquisition or disposal of group companies

To ensure the effective discharge of its function and responsibilities, the Board delegates some of the Board's authorities and discretion on the Board Committees and Management.

The Board Members, in carrying out their duties and responsibilities, are firmly committed to ensuring that the highest standards of corporate governance and corporate conduct are adhered to, in order that the Company achieves strong financial performance for each financial year, and more importantly delivers long-term and sustainable value to stakeholders.

The Board Committees are entrusted with specific responsibilities to oversee the Company's affairs, in accordance with their respective Terms of References.

The Board additionally provides stewardship to the Group's strategic direction and operations, and ultimately the enhancement of long-term shareholder's value. The Board is primarily responsible for:

- adopting and monitoring progress of the Company's strategies, budgets, plan and policies;
- overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- considering management recommendations on key issues including acquisitions and divestments, restructuring, funding and significant capital expenditure;
- succession planning including appointing and reviewing the compensation of the top management;
- identifying principal risks and ensuring the implementation of appropriate systems to manage these risks; and
- reviewing the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- should there be a vacancy in the Board, it is a guideline to replace and appoint a suitable and qualified candidate, within an acceptable time frame.

The Board has delegated certain responsibilities to three (3) Board Committees i.e. the Audit Committee, Nomination Committee and Remuneration Committee which operated within clearly defined terms of reference.

The Executive Chairman, Dato' Seri Ibrahim bin Haji Ahmad is primarily responsible for the orderly conduct and workings of the Board, and for the overall operations of the business and the implementation of Board strategy and policy.

All the Independent Non-Executive Directors are independent of management and are free from any business or other relationship that could materially interfere with the exercise of their independent judgement. They have the caliber to ensure that the strategies proposed by the management are fully deliberated and examined in the long-term interests of the Group, as well as shareholders, employees and customers.

Kamil bin Dato' Haji Abdul Rahman is the Independent Non-Executive Director to whom concerns relating to the Company may be conveyed by shareholders and other stakeholders.

Code of Ethics

The Company's Code of Ethics Ethics is published on the Company's website at http://brahimsgroup.com/code-of-ethics/ which covers all aspects of the Company's business operations, such as confidentiality of information, conflict of interest, gifts, gratuities or bribes, dishonest conduct and assault. The Code is expected to govern the standards of ethics and good conduct expected of Directors and employees of the Group.

Whistle-blowing policy

All employees are urged to promptly report illegal or unethical behaviors including financial misconduct and other violations of the code of ethics. All concerns or complaints made by the employees will be kept confidential and their identity will be kept anonymous, though they may be required by law to reveal this information in some circumstances. The group will not allow any retaliation against employees if they report misconduct of other in good faith. The whistle-blowing policy is available on the Company's website at http://brahimsgroup.com/whistle-blowing-policy/.

Anti-Bribery and Corruption

The Company has put in place in 2020 a Anti-Bribery and Corruption ("ABC") Policy to comply with the Malaysian Anti-Corruption Act 2009. The ABC Policy prohibits any forms of bribery or corruption applicable to Directors, employees and third parties dealing with the Company.

Board Meetings and Supply of Information to the Board

All directors of the Company whether in full Board or in their individual capacity, have access to all information within the Company and are able to seek independent professional advice where necessary and, in appropriate circumstances, in furtherance of their duties.

The Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board meeting procedures are followed and that applicable rules and regulations are complied with.

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of its functions. The Company Secretary plays an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretary supports the Board in managing the Company's governance model, ensuring it is effective and relevant. The Company Secretary also ensures that deliberations at the Board meetings are well captured and minuted.

During the financial year ended 31 December 2020, four (4) Board of Directors' meetings were convened. The details of attendance of the Board members are as follows:

Name of Directors	No. of Meetings Attended
Dato' Seri Ibrahim bin Haji Ahmad (or his Alternate Director, Ahmad Fahimi bin Ibrahim	4/4
Tan Sri Dato' Mohd Ibrahim bin Mohd Zain (Resigned on 22 October 2020)	3/3
Dato' Choo Kah Hoe	3/4
Professor Dr. Jinap binti Salamet	4/4
Kamil bin Dato' Haji Abdul Rahman	4/4
Tay Ben Seng, Benson (Appointed on 22 October 2020)	1/1
Mejar Dato' Ismail Bin Ahmad (Appointed on 9 November 2020)	1/1

All proceedings, deliberations and conclusions of the Board and Board Committees Meetings are clearly recorded in the minutes of meetings by the Company Secretaries, confirmed by the Board and signed as correct record by the Chairman of the Meeting. The Board also exercises control on routine matters that require the Board's approval through the circulation of Directors' Resolutions in Writing as allowed under the Constitution of the Company.

During the financial year ended 31 December 2020, the Company Secretaries have attended relevant development and trainings programmes to enhance their ability in discharging their duties and responsibilities.

Board Charter

The Board Charter adopted in 2012. In this board charter, the Board recognises the importance to set out the key values, principals and ethos of the Company, as policies and strategy development are based on these considerations. The Board Charter defines clearly the division of responsibilities and powers between the board and management as well as the different committees established by the Board. The details of the Board Charter are available for reference at www.brahimsgroup.com/board-charter/.

BOARD COMMITTEES

The Board Committees of the Company consist of the Audit Committee, Nomination Committee and Remuneration Committee. The Chairman of the respective Board Committees reports the outcome of the Board Committee Meetings to the Board, and if required, further deliberations are made at Board level.

Audit Committee

The Audit Committee comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director with Kamil bin Dato' Haji Abdul Rahman as Chairman of the Committee. The composition and Terms of Reference of the Audit Committee are also provided in this report.

Name	Designation
Kamil bin Dato' Haji Abdul Rahman (Chairman)	Independent Non-Executive Director
Dato' Choo Kah Hoe (Member)	Non-Independent Non-Executive Director
Professor Dr. Jinap binti Salamet (Member) (Cessation on 12 April 2020)	Independent Non-Executive Director (Redesignated on 12 April 2021 as Non-Independent Non-Executive Director)
Mejar Dato' Ismail Bin Ahmad (Member) (Appointed on 13 April 2021)	Independent Non-Executive Director

The Audit Committee has explicit authority from the Board to investigate any matter and is given full responsibility within its term of reference and necessary resources which it needs to do so and full access to information. The Audit Committee also meets at least twice a year with the external auditors without the presence of the executive Board members.

As included in the Terms of Reference of Audit Committee, a former key audit partner of the Company's external auditors firm is required to observe a cooling-off period of at least three (3) years before being appointed as member of the Audit Committee. Presently, no former key audit partner is appointed as a member of the AC.

The Audit Committee recommend the appointment or re-appointment of the external auditors and audit fee to the Board, after reviewing the suitability, resources, competency and independence of external auditors and the accounting firm.

Nomination Committee

The Nomination Committee comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director with Kamil bin Dato' Haji Abdul Rahman as Chairman of the Committee.:

Name	Designation
Kamil bin Dato' Haji Abdul Rahman (Chairman)	Independent Non-Executive Director
Dato' Choo Kah Hoe (Member)	Non-Independent Non-Executive Director
Professor Dr. Jinap binti Salamet (Member) (cessation on 12 April 2021)	Independent Non-Executive Director (Redesignated on 12 April 2021 as Non-Independent Non-Executive Director)
Mejar Dato' Ismail Bin Ahmad (Member) (Appointed on 13 April 2021)	Independent Non-Executive Director

The terms of reference of the Nomination Committee include:

- annual review of the composition and required mix of skills and experience and other qualities, including core competencies which Non-Executive and Executive Directors should possess.
- assess on an annual basis, the effectiveness of the Board and assessing the contribution of each individual Director, including Independent Non-Executive Directors.
- to review the term of office and performance of the audit committee and each of its members annually and to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.
- to recommend to the Board suitable Directors to fill the seats of various Board Committees.
- be entitled to the services of the Company Secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, both for the Company's own record and for the purposes of meeting statutory obligations, as well as obligations arising from the Bursa Malaysia Securities Berhad Main Market Listing Requirements or other regulatory requirements.

All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions are properly documented.

Re-appointment and Re-election of Directors

As a principle of good corporate governance, all directors must retire from office at least once in every three years and can offer himself for re-election. Directors who are appointed by the Board are subject to election by the shareholders at the next Annual General Meeting held following their appointment.

Each year, the Nomination Committee assesses the experience, competence, integrity and capability of each Director before making recommendation to the Board.

Directors' Continuing Education

All Directors of the Company have attended the Mandatory Accreditation Program prescribed by Bursa Malaysia Securities Berhad. Details of trainings/seminars/forums attended by the Directors during the financial year are set out in the Board of Directors' Profile in this Annual Report

At the year end, the Board also discusses the Continuing Professional Development and courses attended by various directors in enhancing their professional skills. In the assessment of the Independent Directors and Board of Directors contribution level, attention is also paid to the effectiveness of the training programs attended by various Board Members.

Remuneration Committee

The Remuneration Committee is responsible for recommending the level of remuneration of individual directors. The interested Directors shall abstain from any discussion on their own remuneration packages. As at the reporting date, the Remuneration Committee comprises the following Directors:

Name	Designation
Dato' Choo Kah Hoe (Chairman)	Non-Independent Non-Executive Director
Kamil bin Dato' Haji Abdul Rahman (Member)	Independent Non-Executive Director
Professor Dr. Jinap binti Salamet (Member)	Independent Non-Executive Director (Redesignated on 12 April 2021 as Non-Independent Non-Executive Director)

The terms of reference of the Remuneration Committee include:

- review, assess and recommend to the Board of Directors the Directors' fees, with other independent professional advice or outside advice, if necessary.
- be entitled to the services of the Company Secretary who must ensure that all decisions made on the remuneration packages of the executive directors be properly recorded and minuted.

Remuneration Policy and Procedures

The Code states that remuneration for directors should be determined so as to ensure that the Company attracts and retains the directors needed to run the Company successfully. In the case of Non-Executive Directors, the level of remuneration should reflect the level of experience and responsibilities undertaken.

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company during the financial year can be found on the following page (This is subject to shareholders' approval at the forthcoming AGM).

The remuneration received by all Directors and Executive Chairman in 2020 is set out in the tables below: -

(1) All Directors

No.	Names of Current Non-Executive Directors	Directors' Fees for FY 2020 (RM'000)	Other Allowances (RM'000)
1	Tan Sri Dato' Mohd Ibrahim bin Mohd Zain (Resigned on 22 Oct 2020)	48.55	-
2	Dato' Choo Kah Hoe	60	-
3	Kamil bin Dato' Haji Abdul Rahman	60	-
4	Professor Dr. Jinap binti Salamet	60	-
5	Tay Ben Seng (Appointed on 22 Oct 2020)	11.61	-
6	Mejar Dato' Ismail Bin Ahmad (Appointed on 9 Nov 2020)	8.67	
7	Ahmad Fahimi bin Ibrahim	-	-

(1) Executive Chairman

	Directors' Fee (RM'000)	Salary (RM'000)	Other Allowances (RM'000)	Benefit-in-kind (RM'000)	Total (RM'000)
Dato' Seri Ibrahim bin Haji Ahmad	72	1,449	-	-	1,521

REINFORCE INDEPENDENCE

Annual Assessment of Independence

Reinforce Independence

Annual Assessment of Independence

The Board has set out policies and procedures to ensure effectiveness of the Independent Non-Executive Directors on the Board, including new appointments. The Board assesses the independence of the Independent Non-Executive annually, taking into account the individual Director's ability to exercise independent judgement at all times and to contribute to the effective functioning of the Board.

The Independent Non-Executive Directors are not employees and they do not participate in the day-to-day management as well as the daily business of the Company. They bring an external perspective, constructively challenge and help develop proposals on strategy, scrutinise the performance of Management in meeting approved goals and objectives, and monitor risk profile of the Company's business and the reporting of monthly business performance.

The Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interests of the Company.

Tenure of Independent Directors

This is in line with the recommendation of the code of Corporate Governance. The tenure of independent directors does not exceed a cumulative term of nine (9) years.

RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

Dialogue with Investors and Shareholders

The Annual General Meeting is the principal forum for dialogue with shareholders. At each Annual General Meeting, the Board presents the progress and performance of the business and shareholders are encouraged to participate in the question and answer session.

Poll Voting

In compliance with the Main Market Listing Requirements, all resolutions put forth for shareholders' approval at the forthcoming Thirty Nineth Annual General Meeting to be held on 30 June 2021 are to be voted by way of poll voting.

Effective Communication and Proactive Engagement

In maintaining the commitment to effective communication with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as to the general investing public. The practice of disclosure of information is not just established to comply with the requirements of the Main Market Listing Requirements pertaining to continuing disclosures, it also adopts the best practices as recommended in the Malaysian Code on Corporate Governance 2017 with regard to strengthening engagement and communication with shareholders. Where possible and applicable, the Group also provides additional disclosure of information on a voluntary basis. The Group believes that consistently maintaining a high level of disclosure and extensive communication with its shareholders is vital to shareholders and investors to make informed investment decisions.

The Annual Report is the main channel of communication between the Company and its stakeholders. The Annual Report communicates comprehensive information of the financial results and activities undertaken by the Group. As a listed issuer, the contents and disclosure requirements of the annual report are also governed by the Main Market Listing Requirements.

The Company dispatches its Annual Report to shareholders upon request as soon as practicable and within requirements of the Companies Act as well as the Main Market Listing Requirements. The Annual Report allows shareholders to have timely information about the Company, its operations and performance. All information to shareholders is available electronically as soon as it is announced or published.

Another key avenue of communication with its shareholders is the Company's Annual General Meeting, which provides a useful forum for shareholders to engage directly with the Company's Directors. During the general meeting, shareholders are at liberty to raise questions or seek clarification on the agenda items of the general meeting from the Company's Directors.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors, with assistance of the Audit Committee, are responsible for the accuracy and integrity of the annual audited financial statements and the Board ensures that the accounts and other financial reports of the Company are prepared in accordance with Approved Accounting Standards in Malaysia and present a balanced and comprehensive assessment of the Company's position and prospects, to all the shareholders.

The Company's Annual Report and quarterly announcements of results gives an updated financial performance of the Company periodically.

Internal Control

The Directors recognize their responsibility for the maintenance of a sound system of internal control, covering not only financial controls but also compliance controls including risk assessment framework and control activities covering information and communication, and reviewing its effectiveness. As with any such system, controls can only provide reasonable but not absolute assurance against material misstatements or losses. The Group is continuously looking into the adequacy and integrity of its system of internal controls.

Internal Audit

The Board has outsourced the internal audit function to a professional firm. The internal audit professional firm is independent and audit work is conducted with impartiality, proficiency and due professional care.

During the year, the following were audit activities carried out and presented to the Audit Committee for deliberation:

- audit on flight catering services division

In ensuring the independency of the Internal Audit ("IA") function and to allow this function to be effective, the Company has in-house IA function. The IA reports directly to the AC of the Company and the internal audit function is independent of the activities or operations of other operating units. The IA performed its duties in accordance with its annual audit plan covering management, operational and system audit of the Companies within the Group.

By having the function outsourced, the Audit Charter and guidelines has been uphold as to upkeep the standard and compliance to the respective and recognised framework i.e. Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants.

Relationship with Auditors

The Board ensures that there is a transparent arrangement for the achievement of objectives and maintenance of professional relationship with external auditors and internal auditors via the Audit Committee who has explicit authority to communicate directly with them.

Other Information

During the financial year ended 31 December 2020, save and except as mentioned in this report there were no:

- Options, warrants or convertible securities were exercised or issued by the Company or its subsidiaries.
- Share buybacks.
- American Depository Receipts or Global Depository Receipts programmes sponsored by the Company.
- Sanctions and/or penalties imposed on the Company or its subsidiary companies.
- Variance of results which differ by 10% or more from any profit estimate/forecast/projection/unaudited results announced.
- Profit guarantees given by the Company.
- Material contracts of the Company and its subsidiary companies involving directors' and substantial shareholders' interests, other than as disclosed.

ENSURE TIMELY AND HIGH-QUALITY DISCLOSURE

Corporate Disclosure Policy

The Company recognises the value of transparent, consistent and coherent communications with investment community consistent with commercial confidentiality and regulatory considerations. The Company aims to build long-term relationships with shareholders and potential investors through appropriate channels for the management and disclosure of information. These investors are provided with sufficient business, operations and financial information on the Group to enable them to make informed investment decisions.

The Company's website is constantly updated where shareholders and potential investors may direct their enquiries to the Company. The Company's internal Investor Relations team will reply to these queries in the shortest possible time.

Leverage on Information Technology for Effective Dissemination of Information

The Company's website incorporates a section which provides all relevant information on the Company and is accessible by the public. This section enhances the Investor Relations function by including analyst reports, all announcements made by the Company, annual reports as well as the corporate and governance structure of the Company.

The announcement of the quarterly financial results is also made via Bursa LINK immediately after the Board's approval. This is important in ensuring equal and fair access to information by the investing public.

The Company's website has a "Contact Us" section via info@brahimsgroup.com where shareholders and potential investors may direct their enquiries to the Company.

UPHOLD INTEGRITY IN FINANCIAL REPORTING

Directors' Responsibility Statement

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the results of their operations and cash flows of the Group as at the end of the financial year in accordance with the requirements of the Companies Act 2016 (the "Act").

During the preparation of the Company's financial statements for the year ended 31 December 2020, the Directors have:

- used appropriate accounting policies that are consistently applied and supported by reasonable and prudent judgements and estimates;
- ensured that all applicable accounting standards have been followed, subject to any material departures disclosed and explained in the notes to the financial statements; and
- prepared the financial statements on a going concern basis.

The Directors are required to keep proper accounting records which disclose with reasonable accuracy the financial position of the Company and the Group in compliance with the Act.

The Directors are also responsible for safeguarding the assets of the Company and the Group and to prevent and detect fraud and other irregularities that may arise.

30 STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

INTRODUCTION

The Board of Directors of Brahim's Holdings Berhad is pleased to present the Statement on Risk Management and Internal Control of the Group in accordance with paragraph 15.26 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Principles and recommendations as stipulated in the Malaysian Code of Corporate Governance 2017 relating to risk management and internal controls; guidelines for Directors of Listed Issuers

BOARD'S RESPONSIBILITY

The Board recognises and upholds its overall responsibility for the sound system of the Group's risk management and internal controls practices for good corporate governance. The Board, through its various committees, continuously review the adequacy and effectiveness of the system in particular the financial, operational, as well as compliance aspects of the Group throughout the financial year.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies. The process has been in place during the year up to the date of approval of this statement and is subject to review by the Board. It should be noted, however, that such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives. In addition, it should be noted that these systems can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

In 2020, the adequacy and effectiveness of internal controls were reviewed by the Audit Committee ("AC") in relation to the internal controls matters highlighted by the internal auditors. AC has decided to set reliance on an audit exercise which was undertaken by VAERSA Internal Audit ("IA") team on the effectiveness of internal control and enterprise risk management of Brahim's SATS Food Services Sdn Bhd ("BSFS"). The report tabled by the BSFS Management to the AC in November 2020 was presented for the consideration by the Board.

The Board is assisted by Senior Management in implementing the Board approved policies and procedures on risk and control by identifying and analysing risk information; designing, operating suitable internal controls to manage and control these risks; and monitoring effectiveness of risk management and control activities.

The Board had reviewed the internal control systems on a subsidiary. The management of the subsidiary companies provides the Board with information for timely decision-making on the continuity of the Group's investments based on the performance and critical business decision contemplation.

The key features of the risk management and internal control systems are described below.

RISK MANAGEMENT FRAMEWORK

The Board regards risk management as an integral part of the Group's business operations. The Group has an embedded process for the identification, evaluation, reporting, monitoring and reviewing of business and operation risks within the Group. Both the Audit Committee and Board of Directors deliberate on the risk management and internal control functions, processes and reports in AC meeting and presented for consideration by the Board.

For 2020, the AC is assisted by the management team and alongside the operations staff to conduct review and effectively administer the importance of internal controls into the corporate culture, processes and structures within the Group.

KEY PROCESSES

The Board confirms that there is an established process for identifying, evaluating and managing the significant risk faced by the Group, which has been in place for the financial year under review and up to the date of approval of the annual report and financial statements.

The key processes that the directors have established in reviewing the adequacy and integrity of the system of internal controls are as follows:

a. Establishment of direct reporting from the significant subsidiaries within the Group.

b. A documented operating procedures manual, guidelines and directives are issued and updated from time to time if necessary, to ensure that the business objectives are achieved.

c. Monthly reporting of results and key performance indicators to assess actual performance against budget.

d. Quarterly review of the financial performance of the Group by the Audit Committee and the Board.

e. Operations review meetings are held by the respective business units to monitor the progress of business operations, deliberate significant issues and formulate corrective measures.

f. Any internal control related matters and concerns identified are raised and deliberated between management's and the Board's Audit Committee.

g. A clearly defined organisational structure with clear lines of delegation of responsibilities to Committees of the Board, the management of the Company and operating units including authorisation levels for all aspect of the businesses.

REVIEW BY BOARD

The Board's review of risk management and internal control effectiveness is based on information from:

- Senior management within organisation responsible for the development and maintenance of the risk management and internal control system; and
- The work by the management team function to highlight and submit any updates on controls to the Audit Committee together with the assessment of the internal controls systems relating to key risks and recommendations for improvement for a subsidiary.

The Board and Senior Management will continue to take measures to strengthen the risk and control environment and monitor the health of the risk and internal controls framework.

The Board also received assurances from Senior Management that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects based on the risk management and internal control system of the Group.

REVIEW BY EXTERNAL AUDITOR

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION

The Board is of the view that the current risk management and internal control system in place within the Group is sound, sufficient and effective to safeguard the Group's interest. In addition, improvement of risk management and internal control is an ongoing process and the Board will continue to take steps to strengthen and enhance the current system. All internal control weaknesses identified during the year have been or are being addressed by the Management.

There are no major or material losses, contingency or uncertainties on risk management and internal control identified during the year which require disclosure in the Company's annual report.

The Board will consistently review the effectiveness of the Group's risk management and internal control in order to safeguard the shareholder's interest and Group's assets at all time.

The above statement is made in accordance with a resolution of the Board.

32 AUDIT COMMITTEE REPORT

CHAIRMAN
Kamil Bin Dato' Haji Abdul Rahman
Independent Non-Executive Director

MEMBERS
Dato' Choo Kah Hoe
Non-Independent Non-Executive Director

Prof Dr Jinap binti Salamet
(Cessation on 12 April 2021)
Independent Non-Executive Director
(Redesignated on 12 April 2021 as Non-Independent Non-Executive Director)

Mejar Dato' Ismail Bin Ahmad
(Appointed on 13 April 2021)
Independent Non-Executive Director

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. **Composition**
The Audit Committee shall be appointed from amongst the Board and shall comprise no fewer than three (3) members, a majority of whom shall be independent directors and all members should be non-executie directors. At least one (1) member must:

i. be a member of the Malaysian Institute of Accountants ("**MIA**") or possess such other qualifications and/or experience as approved by the Bursa Malaysia Securities Berhad ("**Bursa Securities**"); or
ii. if he is not a member of the MIA, he must have at least three years of working experiences and:
iii. He must have passed the examination specified in Part I of the 1st Schedule of the Accountant Act 1967;
or
iv. He must be a member of one of the Association of Accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
v. fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

No alternate director shall be appointed as a member of the Committee.

In case a former key audit partner is being nominated as a member of the Audit Committee, he shall observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee. In the event of any vacancy with the result that the number of members is reduced

to below three, the vacancy shall be filled within three (3) months. Therefore a member of the Audit Committee who wishes to retire or resign should provide sufficient written notice to the Company so

that a replacement may be appointed before he leaves.

The terms of office and performance of an audit committee and each of its members must be reviewed by the Board of Directors annually to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.

2. **Chairman**
The Chairman, who shall be elected by the Audit Committee, shall be an independent director. In the event of the chairman's absence, the meeting shall be chaired by an independent director.

The Chairman should engage on a continuous basis with senior management, such as the Chairman of the Board, the Chief Executive Officer ("**CEO**"), the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

3. **Secretary**
The Company Secretary or any authorised person shall be the secretary of the Audit Committee (the "**Secretary**"). The Secretary shall provide assistance to the members of the Committee, including but not limited to assist the Audit Committee Chairman in planning the work of the Committee, formulating meeting agendas, maintenance of committee minutes, collation and distribution of information required by the Committee and provide practical support, as and when needed.

4. **Meetings**
The Audit Committee shall meet at least four (4) times in each financial year and may regulate its own procedure in lieu of convening a formal meeting by means of video or teleconference. The Audit Committee also may call for a meeting as and when required with reasonable notice as the Audit Committee Members deem fit.

The quorum for a meeting shall be the majority of members present, who shall be independent directors. The CEO and the CFO may attend the quarterly meetings upon the invitation of the Audit Committee although they do not have any voting rights. All decisions at such meeting shall be decided on a show of hands on a majority of votes and that the Chairman shall have the casting vote should a tie arise.

The external auditors and internal auditors have the right to appear at any meeting of the Audit Committee and shall appear before the Audit Committee when required to do so by the Audit Committee. The external auditors may also request a meeting if they consider it necessary. At least twice a year and whenever deemed necessary, the Audit Committee shall meet with the external auditors without presence of Executive Director and the Management.

5. Rights

The Audit Committee shall:

a. have authority to investigate any matter within its terms of reference;
b. have the resources which are required to perform its duties;
c. have full and unrestricted access to any information pertaining to the Group;
d. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
e. have the right to obtain independent professional or other advice at the Company's expense;
f. promptly report to Bursa Securities or such other name(s) as may be adopted by Bursa Securities, matters which have not been satisfactorily resolved by the Board of Directors resulting in a breach of the listing requirements;
g. have the right to pass circular resolutions in writing by a majority vote from the Audit Committee
h. meet as and when required on a reasonable notice;
i. the Chairman shall call for a meeting upon the request of the External Auditors.

6. Duties

a. Risk Management & Internal Control

i. Review the adequacy of and recommend such measures to the Board on the effectiveness of the Company's risk management and risk assurance process.
ii. Evaluate the quality and effectiveness of the Company's Internal Control system and management information systems, including compliance with applicable laws, rules, corporate governance requirements and guidelines.
iii. Recommend to the Board the Director's Statement on Risk Management and Internal Control and any changes to the said Statement.

b. Financial Reporting

i. Review the quarterly results and annual financial statements before recommendation to the Board for approval for release to Bursa Securities, focusing particularly on:
   - Any changes in or implementation of accounting policies and practices;
   - Significant or material adjustments with financial impact arising from the audit;
   - Significant unusual events or exceptional activities;
   - Financial decision-making with the presumptions of significant judgments;
   - The going concern assumptions;
   - The appropriateness of management's selection of accounting policies and disclosures in compliance with approved accounting standards, stock exchange and other regulatory requirements; and
   - Compliance with applicable financial reporting standards.

ii. Propose best practices on disclosure in financial results and annual reports of the Company in line with the recommendations set out in the Malaysian Code of Corporate Governance, other applicable laws, rules, directives and guidelines.

c. External Audit

i. Recommend the appointment or re-appointment of the external auditors and audit fee to your Board, after reviewing the suitability, resources, competency and independence of external auditors and the accounting firm.
ii. Make appropriate recommendations to your Board on matters of resignation, dismissal or cessation of office of the external auditors and secure the reason of such resignation, dismissal or cessation of office.
iii. Review and discuss the nature and scope of the external audit strategy and plan for the year.
iv. Review and discuss issues arising from external auditors' interim and final letters of recommendation to management, including management responses and the external auditor's evaluation of the system of internal control and any other matters the external auditor may wish to discuss (in the absence of Management, if required).

d. Internal Audit

i. Review the adequacy of the scope, functions, competency, resources and authority of the internal audit function in carrying out its work.
ii. Review the risk-based internal audit plans and programmes.
iii. Ensure co-ordination between the internal and external auditors.
iv. Review the major findings reported by internal audit and follow up on management's implementation of the recommended actions.
v. Annually assess performance of services provided by the internal audit function.

e. Related Party Transactions

i. To monitor related party transactions entered into by the Company or the Group and to determine if such transactions are undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and to ensure that the Directors report such transactions annually to shareholders via the annual report, and to review conflicts of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
ii. To announce to Bursa Securities, if there is any related party transactions which exceed the Shareholder Mandate and provide full reason and detailed explanations.

f. Other Matters

i. To report to Bursa Securities, if the Audit Committee views that a matter resulting in a breach of the Listing Requirements of Bursa Securities reported by the Audit Committee to the Board has not been satisfactorily resolved by the Board.

ii. To highlight such matters as the Audit Committee considers appropriate or as defined by the Board from time to time.

The Audit Committee reviewed the annual Statement on Risk Management and Internal Control for publication in the Annual Report 2020.

7. Attendance at Meetings

During the financial year ended 31 December 2020, the Audit Committee held a total of Eight (8) meetings.

The details of attendance of the Committee members are as follows:

Name of Member	No. of Meetings Attended by Members
Kamil Bin Dato' Haji Abdul Rahman	8/8
Prof Dr Jinap Binti Salamet	8/8
Dato' Choo Kah Hoe	6/8

8. Summary of Activities

During the year under review, the following were the activities of the Audit Committee:

- Reviewed and discussed the observations, recommendations and Audit Report and the Management's comments in respect of the issues raised by the Internal Auditor on the evaluation of the system of internal controls.
- Reviewed the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work.
- Reviewed and discussed the internal audit reports. The Committee was briefed by the Head of Internal Audit that in a few instances, the audit process identified certain control and operational weaknesses which were brought to the attention of the management and that corrective action had been taken to rectify the weaknesses.
- Reviewed the quarterly and year end financial statements and ensured that the financial reporting and disclosure requirements of relevant authorities had been complied with, focusing particularly on:
  - changes in implementation of major accounting policy changes;
  - the going concern assumptions;
  - significant adjustments resulting from audit;
  - major judgmental areas, significant and unusual events; and
  - compliance with accounting standards and other legal requirements.
- Reviewed the related party transactions and conflict of interest situation that may arise within the Company or Group including any transactions, procedures or course of conduct that raise questions of management integrity which were incurred during the financial year, were done in the ordinary course of business.

The Audit Committee met with the external auditors twice during the year without members of management being present.

35 REPORTS & FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2020

36 DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Loss for the financial year, net of tax	(238,277)	(11,368)
Attributable to:		
Owners of the Company	(107,029)	(11,368)
Non-controlling interests	(131,248)	-
	(238,277)	(11,368)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 December 2020.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, 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 doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets 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 had 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 method 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:

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

(ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, other than as disclosed in Note 2.7 to financial statements, no contingent or other liability of the Group or 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 will or may affect the ability of the Group or of the Company to meet their obligations as and 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 MATERIAL AND UNUSUAL NATURE

Other than as disclosed in Note 23 to the financial statements, in the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year, were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Dato' Choo Kah Hoe*	
Dato' Seri Ibrahim Bin Haji Ahmad*	
Ahmad Fahimi Bin Ibrahim* (Alternate Director to Dato' Seri Ibrahim Bin Haji Ahmad)	
Kamil Bin Dato' Haji Abdul Rahman*	
Professor Dr. Jinap Binti Salamet	
Tay Ben Seng, Benson	(Appointed on 22 October 2020)
Mejar Dato' Ismail bin Ahmad	(Appointed on 9 November 2020)
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain*	(Resigned on 22 October 2020)

* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:

Ahmad Robin Wahab Bin Ahmad Noordin	
Dzamir Bin Elyas	
Mohd Fadhli Bin Abdul Rahman	
Nur Fatin Binti Ibrahim	
Seah Kok Khong	
Sharmi Bin Dzhari	
Siti Rafidah Binti Tan Sri Datuk Amar Haji Adenan	
Tan Chuan Lye	
Foong Chee Yeong	(Appointed on 1 April 2021)
Mohd Azharuddin Bin Mat Sah	(Appointed on 1 April 2021)
Dato' Mohd Khalis Bin Abdul Rahim	(Resigned on 1 April 2021)
Kamaruddin Bin Kamilin	(Resigned on 1 April 2021)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

Interests in the Company

	Number of ordinary shares			
	At 1.1.2020	Bought	Sold	At 31.12.2020
Indirect interests:				
Dato' Seri Ibrahim Bin Haji Ahmad*	96,253,300	-	(38,000,000)	58,253,300
Dato' Choo Kah Hoe*	25,000,000	-	-	25,000,000

* Shares held through company in which the director has substantial financial interests.

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Dato' Seri Ibrahim Bin Haji Ahmad is deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS’ BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed in Note 24 to the financial statements) 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 Company a party to any arrangements where the 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.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, there were no indemnity given to or insurance effected for the directors and officers of the Company.

SUBSIDIARIES

The details of the Company’s subsidiaries are disclosed in Note 6 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 34 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant events subsequent to the end of the financial year are disclosed in Note 34 to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

The details of auditors' remuneration are disclosed in Note 23 to the financial statements.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

....

DATO' SERI IBRAHIM BIN HAJI AHMAD

Director

....

DATO' CHOO KAH HOE

Director

Date: 21 May 2021

42 STATEMENTS OF FINANCIAL POSITION

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	37,620	66,982	74	196
Investment in subsidiaries	6	-	-	99,016	99,016
Investment in a joint venture	7	-	-	-	-
Goodwill	8	84	102,354	-	-
Other intangible assets	9	-	-	-	-
Deferred tax assets	10	-	9,704	-	-
Other receivables	11	-	-	-	2,699
Total non-current assets		37,704	179,040	99,090	101,911
Current assets					
Inventories	12	3,304	8,096	-	-
Tax assets		857	2,872	-	-
Trade and other receivables	11	11,602	63,950	-	-
Cash and short-term deposits	13	11,436	44,725	2,125	12,058
Total current assets		27,199	119,643	2,125	12,058
TOTAL ASSETS		64,903	298,683	101,215	113,969

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 (continued)

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	14	268,266	268,266	268,266	268,266
Accumulated losses		(354,910)	(247,881)	(257,221)	(245,853)
		(86,644)	20,385	11,045	22,413
Non-controlling interests		(40,418)	90,830	-	-
(CAPITAL DEFICIENCY)/ TOTAL EQUITY		(127,062)	111,215	11,045	22,413
Non-current liabilities					
Loans and borrowings	15	2,972	3,792	128	202
Deferred tax liabilities	10	9,601	-	-	-
Other payables	17	2,050	1,353	1,120	1,120
Total non-current liabilities		14,623	5,145	1,248	1,322
Current liabilities					
Loans and borrowings	15	81,154	92,190	75,422	73,125
Provisions	16	7,462	13,464	-	-
Tax liabilities		55	8	-	-
Trade and other payables	17	88,671	76,661	13,500	17,109
Total current liabilities		177,342	182,323	88,922	90,234
TOTAL LIABILITIES		191,965	187,468	90,170	91,556
TOTAL EQUITY AND LIABILITIES		64,903	298,683	101,215	113,969

The accompanying notes form an integral part of these financial statements.

44 STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	18	82,389	305,798	-	2,495
Cost of sales	19	(89,628)	(208,626)	-	-
Gross (loss)/profit		(7,239)	97,172	-	2,495
Other income	20	673	987	-	15
Administrative expenses		(75,090)	(80,591)	(2,352)	(2,415)
Impairment losses on financial instruments	23	(11,591)	(291)	(3,045)	(411)
Reversal of impairment losses on financial instruments	23	561	3,730	-	-
Other expenses					
- Impairment losses on goodwill		(102,270)	-	-	-
- Impairment losses on property, plant and equipment		(9,809)	-	-	-
- Others		(7,701)	(22,279)	(1)	(11,948)
Operating loss		(212,466)	(1,272)	(5,398)	(12,264)
Finance income	21	359	852	30	137
Finance costs	22	(6,707)	(8,390)	(6,000)	(5,680)
Share of results of a joint venture		-	903	-	-
Loss before tax and zakat	23	(218,814)	(7,907)	(11,368)	(17,807)
Income tax expense	25	(19,463)	(5,412)	-	-
Zakat		-	(181)	-	-
Total comprehensive loss for the financial year		(238,277)	(13,500)	(11,368)	(17,807)
Loss attributable to:					
Owners of the Company		(107,029)	(15,353)	(11,368)	(17,807)
Non-controlling interests		(131,248)	1,853	-	-
		(238,277)	(13,500)	(11,368)	(17,807)
Total comprehensive loss attributable to:					
Owners of the Company		(107,029)	(15,353)	(11,368)	(17,807)
Non-controlling interests		(131,248)	1,853	-	-
		(238,277)	(13,500)	(11,368)	(17,807)
Loss per share (sen)					
- Basic/Diluted	26	(45.30)	(6.50)		

The accompanying notes form an integral part of these financial statements.

45 STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	<- Attributable to owners of the Company ->			Non-	Total equity/
	Share capital RM'000	Accumulated losses RM'000	Sub-total RM'000	controlling interests RM'000	(Accumulated losses) RM'000
Group					
At 1 January 2019	268,266	(232,528)	35,738	88,977	124,715
Total comprehensive loss for the financial year					
Loss for the financial year, representing total comprehensive loss for the financial year	-	(15,353)	(15,353)	1,853	(13,500)
At 31 December 2019	268,266	(247,881)	20,385	90,830	111,215
Total comprehensive loss for the financial year					
Loss for the financial year, representing total comprehensive loss for the financial year	-	(107,029)	(107,029)	(131,248)	(238,277)
At 31 December 2020	268,266	(354,910)	(86,644)	(40,418)	(127,062)

STATEMENTS OF CHANGES IN EQUITY (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (continued)

	<- Attributable to owners of the Company ->		
	Share capital RM'000	**Accumulated losses RM'000**	**Total equity RM'000**
Company			
At 1 January 2019	268,266	(228,046)	40,220
Total comprehensive loss for the financial year			
Loss for the financial year, representing total comprehensive loss for the financial year	-	(17,807)	(17,807)
At 31 December 2019	268,266	(245,853)	22,413
Total comprehensive loss for the financial year			
Loss for the financial year, representing total comprehensive loss for the financial year	-	(11,368)	(11,368)
At 31 December 2020	268,266	(257,221)	11,045

The accompanying notes form an integral part of these financial statements.

47 STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Loss before tax and zakat		(218,814)	(7,907)	(11,368)	(17,807)
Adjustments for:					
Depreciation of property, plant and equipment		21,699	28,585	124	129
Dividend received from a joint venture		-	-	-	(2,190)
Finance costs		6,707	8,390	6,000	5,680
Finance income		(359)	(852)	(30)	(137)
Gain on disposal of property, plant and equipment		(33)	-	-	-
Impairment losses on:					
- goodwill		102,270	-	-	-
- property, plant and equipment		9,809	-		-
- investment in subsidiaries		-	-	-	322
- trade and other receivables		11,591	291	3,044	411
Loss on disposal of investment in a joint venture		-	10,237	-	11,614
Net unrealised foreign exchange (gain)/loss		(28)	(41)	-	-
Reversal of impairment losses on trade receivables		(561)	(3,730)	-	-
Share of results of a joint venture		-	(903)	-	-
Deposits written off		-	37	-	-
Inventories written off		1,361	-	-	-
Property, plant and equipment written off		-	13	-	-
Bad debts written off		972	5	1	5
Operating (loss)/profit before changes in working capital, carried forward		(65,386)	34,125	(2,229)	(1,973)

STATEMENTS OF CASH FLOWS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (continued)

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Cash flows from operating activities (continued)					
Operating (loss)/profit before changes in working capital, brought forward		(65,386)	34,125	(2,229)	(1,973)
Changes in working capital:					
Inventories		3,431	(645)	-	-
Trade and other receivables		40,297	(8,926)	(345)	(2)
Trade and other payables		9,778	9,344	(3,806)	1,944
Net cash (used in)/generated from operations		(11,880)	33,898	(6,380)	(31)
Income tax refunded		1,904	7,854	-	25
Provision paid		(6,001)	-	-	-
Interest received		359	852	30	137
Interest paid		(914)	(2,477)	(11)	(46)
Net cash (used in)/from operating activities		(16,532)	40,127	(6,361)	85
Cash flows from investing activities					
Change in pledged deposits		4,628	(711)	-	31
Dividend received from a joint venture		-	2,190	-	2,190
Proceed from disposal of property, plant and equipment		53	-	-	-
Proceed from disposal of investment in a joint venture		-	7,987	-	7,987
Purchase of property, plant and equipment	(a)	(2,166)	(4,855)	(2)	-
Advances to subsidiaries		-	-	-	(249)
Repayment from a related party		2,977	-	-	-
Repayment from a joint venture		-	34	-	34
Net cash from/(used in) investing activities		5,492	4,645	(2)	9,993

STATEMENTS OF CASH FLOWS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (continued)

		Group		Company	
		2020	**2019**	**2020**	**2019**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Cash flows from financing activities	(b)				
Repayments of lease liabilities		(14,069)	(20,813)	(70)	(73)
Repayments of term loans		(3,552)	-	(3,500)	-
Advances from a subsidiary		-	-	-	587
Advances from a director		-	843	-	143
Net cash (used in)/from financing activities		(17,621)	(19,970)	(3,570)	657
Net (decrease)/increase in cash and cash equivalents		(28,661)	24,802	(9,933)	10,735
Cash and cash equivalents at the beginning of the financial year		37,019	12,217	10,209	(526)
Cash and cash equivalents at the end of the financial year	13	8,358	37,019	276	10,209

(a) Purchase of property, plant and equipment:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash payments on purchase of property, plant and equipment	(2,166)	(4,855)	(2)	-

STATEMENTS OF CASH FLOWS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (continued)

(b) Reconciliation of liabilities arising from financing activities:

	1 January 2020 RM'000	Cash flows RM'000	Non-cash acquisition RM'000	31 December 2020 RM'000
Group				
Lease liabilities	18,798	(14,069)	-	4,729
Term loans	77,184	(3,552)	5,765	79,397
Amount owing to a director	6,889	-	-	6,889
	102,871	(17,621)	5,765	91,015
Company				
Lease liabilities	272	(70)	-	202
Term loans	73,055	(3,500)	5,793	75,348
Amount owing to a director	6,189	-	-	6,189
Amount owing to a subsidiary	4,661	-	-	4,661
	84,177	(3,570)	5,793	86,400

	1 January 2019 RM'000	Cash flows RM'000	Effect of adoption of MFRS 16 RM'000	31 December 2019 RM'000
Group				
Lease liabilities	3,411	(20,813)	36,200	18,798
Amount owing to a director	6,046	843	-	6,889
	9,457	(19,970)	36,200	25,687

	1 January 2019 RM'000	Cash flows RM'000	Non-cash acquisition RM'000	31 December 2019 RM'000
Company				
Lease liabilities	345	(73)	-	272
Amount owing to a director	6,046	143	-	6,189
Amount owing to a subsidiary	3,878	587	196	4,661
	10,269	657	196	11,122

(c) Total cash outflows for leases

During the financial year, the Group and the Company had total cash outflows for leases of RM23.441 million and RM0.289 million respectively (2019: RM23.728 million and RM0.329 million respectively).

The accompanying notes form an integral part of these financial statements.

51 NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Brahim's Holdings Berhad ("the Company") is a public limited company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur. The principal place of business of the Company is located at 7-05, 7th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 6. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 21 May 2021.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

<u>Amendments/Improvements to MFRSs</u>

MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases*
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 139	Financial Instruments: Recognition and Measurement

* Early adopted the amendments to MFRS 16 Leases issued by the Malaysian Accounting Standards Board ("MASB") on 5 June 2020 or/and 6 April 2021.

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022^/ 1 January 2023#
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023#
MFRS 4	Insurance Contracts	1 January 2021/ 1 January 2023#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2021/ 1 January 2023#
MFRS 9	Financial Instruments	1 January 2021/ 1 January 2022^/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2021/ 1 April 2021/ 1 January 2022^

		Effective for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023#/ 1 January 2022
		Effective for financial periods beginning on or after
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ The Annual Improvements to MFRS Standards 2018-2020

 # Amendments as to the consequence of effective of MFRS 17 Insurance Contract

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. The initial application of the applicable new MFRS and amendments/improvements to MFRSs is not expected to have material impact to the current and prior periods financial statements.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

2.6 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements are disclosed in Note 4.

2.7 Fundamental accounting principle

On 28 February 2019, the directors of the Company announced that the Company had triggered the prescribed criteria under Paragraph 2.1(a) of Practice Note 17 ("PN 17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), as the shareholders' equity of the Group is less than RM40.000 million and is 25% or less of its issued and paid-up capital. The Company is required to submit a regularisation plan to Securities Commission Malaysia and Bursa Securities by 27 February 2020. On 13 February 2020, the Company submitted an application to Bursa Securities for the extension of time for submission of its regularisation plan. On 13 March 2020, the Company has obtained the approval from Bursa Securities for the extension of time until 27 August 2020 for its submission of its regularisation plan.

On 26 March 2020, Bursa Securities announced that in view of the on-going Movement Control Order imposed arising from the COVID-19 pandemic, PN17 companies whose First Announcement was made between 2 January 2019 to 31 December 2019 will be allowed to submit their regularisation plans within 24 months (instead of 12 months) from the date of the First Announcement. The Company has extension until 27 February 2021 to submit its regularisation plan. On 18 February 2021, the Company has obtained the approval from Bursa Securities for the extension of time until 27 August 2021 for its submission of its regularisation plan.

Since the beginning of the financial year, the global economy, in particular the aviation industry, faces an uncertainty as a result of the unprecedented COVID-19 pandemic. The travel and border restriction implemented by countries around the world has led to a significant fall in demand for air travel which impacted the Group's and the Company's financial performance and cash flows.

The Group and the Company incurred a net loss after tax of RM238.277 million and RM11.368 million respectively for the financial year ended 31 December 2020 and, as of that date, the Group's and the Company's current liabilities exceeded the current assets by RM150.143 million and RM86.797 million respectively. In addition, the Group is in a capital deficiency of RM127.062 million as at 31 December 2020.

On 6 April 2021, the Company has announced to undertake the Propose Private Placement of up to 70,885,600 new ordinary shares, representing up to approximately 30% of the total number of issued shares of the Company. On 21 April 2021, the Company has obtained the approval from the shareholders at the Extraordinary General Meeting.

As disclosed in Note 15(a)(ii), on 21 April 2021, the Company received a letter of demand from OCBC Al-Amin Berhad's ("OCBC") appointed solicitor which claimed against the Company on the following:

i. the arrears of rentals due to OCBC in total sum of RM49.880 million as at 1 April 2021;

ii. the Company is given seven days from the date hereon to regularise the said payment, failing which OCBC shall have no option but be compelled to declare default in payment; and

iii. demand that the secured amount to be immediately due and payable.

On 22 April 2021, the Company has defaulted in repaying overdue rental sum of RM49.980 million as at 1 April 2021 as requested by the OCBC under an Ijarah Muntahiah Bi Al-Tamlik Term-Financing-i facilities granted by OCBC to the Company. After further reasonable inquiry into the affairs of the Company by the Board of Directors ("the Board"), the Board is of the opinion that the Company is unable to provide to Bursa Securities a solvency declaration as required under Paragraph 9.19A(4) of the Listing Requirements. Pursuant to the above, the Company has further triggered the prescribed criteria under Paragraph 2.1(f) of PN17 of the Listing Requirements on 22 April 2021.

On 12 May 2021, OCBC is agreeable to an interim indulgence to withhold legal action against the Company and all security providers until 1 November 2021 subject to compliance of certain terms and conditions.

These events or conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

The ability of the Group and the Company to operate as going concerns is dependent on:

- discussion with the financial institution for settlement which is still in progress;
- continue its other remaining business operations and engage with the lenders and suppliers for their continuous support; and
- formularisation of a proposed regularisation plan.

In the event that these are not forthcoming, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. Accordingly, the financial statements may require adjustments relating to the recoverability and classification of recorded assets and to additional amount and classification of liabilities that may be necessary should the Group and Company be unable to continue as going concerns.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

The accounting policy for goodwill is set out in Note 3.7(a).

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture, an available-for-sale financial asset or a held for trading financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Joint arrangement

Joint arrangements arise when the Group and another party or parties are bound by a contractual arrangement, and the contractual arrangement gives the Group and the other party or parties, joint control of the arrangement whereby decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as a "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its share of the assets (including its share of any assets held jointly), the liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output by the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).
- A joint arrangement is classified as "joint venture" when the Group has rights to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method in accordance with MFRS 128 *Investments in Associates and Joint Ventures.*

The Group has assessed the nature of its joint arrangement and determined them to be a joint venture and accounted for its interest in the joint venture using the equity method.

(d) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and joint ventures are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.10(b).

3.3 Foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities at the exchange rates prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

3.4 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contract provisions of the financial instrument.

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers.*

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Group and the Company categorise the financial instruments as follows: (continued)

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There is one measurement category into which the Group and the Company classify their debt instruments:

- **Amortised cost**

  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.10(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

(ii) Financial liabilities

The Group and the Company classify their financial liabilities at amortised cost.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liablities are derecognised and through the amortisation process.

(b) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

Trade date accounting refers to:

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

(c) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive cash flows from the financial asset expire, or

(ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) 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, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3.5 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses in accordance with Note 3.10(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When significant parts of an item pf property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(b) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Group and the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance

(c) Depreciation

Depreciation is charged to profit or loss on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The principal annual rates of depreciation used for this purpose are as follows:

Warehouse building and improvements	over the remaining lease period of 54 ¾ years
Containers, pallets, plant and machinery	5% - 33 1/3%
Renovation and electrical installations	10% - 66%
Signboard, furniture and fittings, electronic data processing ("EDP") equipment and office equipment	5% - 33 1/3%
Motor vehicles, lorries and trucks	10% - 20%

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at end of the reporting period to ensure that the amount, method and period 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.

(d) Derecognition

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 on derecognition of the assets is recognised in profit or loss.

3.6 Leases

(a) Definition of lease

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

(b) Lessee accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group and the Company present right-of-use assets in Note 5 and lease liabilities in Note 15.

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group and the Company expect to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statements of comprehensive income.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value asset

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value asset. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.7 Goodwill and other intangible assets

(a) Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initially recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b).

In respect of equity-accounted joint venture, goodwill is included in the carrying amount of the investment and is not tested for impairment individually. Instead, the entire carrying amount of the investment is tested for impairment as a single asset when there is objective evidence of impairment.

(b) Licenses

Licenses acquired in a business combination are recognised at fair value at the acquisition date. The licenses have been acquired with the option to renew at little or no cost to the Group. As a result, those licenses are assessed as having an indefinite useful life. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b).

(c) Computer software

Computer software that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b).

3.8 Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.9 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents are presented net of bank overdraft.

3.10 Impairment of assets

(a) Impairment of financial assets

Financial assets measured at amortised cost and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, the Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and the Company consider a financial asset to be in default when:

- the debtor is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 60 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the debtor;
- a breach of contract, such as a default of past due event;
- the lender(s) of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purpose. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis

Impairment losses are recognised in profit or loss.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

3.11 Share capital

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.12 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

For lawsuit provisions, a probability-weighted expected outcome is applied in the measurement, taking into account past court judgements made in similar cases and advice of legal experts.

3.13 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

(b) Defined contribution plan

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.14 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer).

The Group and the Company measure revenue at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as goods and service tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group and the Company estimate it by using the costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group and the Company have assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

(a) Warehousing revenue

The Group provides warehousing services to customers, which is charged by fixed monthly rates. Warehousing revenue is recognised over the period in which the services are rendered.

(b) Logistics – forwarding and related services

Revenue from providing services is recognised at a point in time upon performance of services to customers. The Group provides forwarding service where the Group will be the customers' representative in securing customs' clearance for customers' goods. This may also include preparation of documentation for the customs' clearance. These services are charged based on fixed rate per unit.

The Group also provides haulage services, where the customers' goods are transferred from the port to the designated premises. These services are charged based on per trip basis and is dependent on the proximity from the port. Revenue from haulage services is recognised over the period of performance of services to customers.

(c) Catering and related services

The Group supplies meals, dry store products and other related items to customers. Revenue is recognised at a point in time when control of the products has transferred, being when the customer accepts the delivery of the products and services rendered. The products are often sold with volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

(d) Management fees

The Company provides management and support services to a joint venture. These services are charged based on a percentage of gross revenue earned by the joint venture, Management fees revenue is recognised over the period in which the services are rendered.

(e) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

3.15 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.16 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is 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 tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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 transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

(c) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

(d) Zakat

This represents business zakat payable by the Group. Zakat in the form of contribution is calculated according to the principles of Syariah.

3.17 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. An Executive Director of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

3.19 Fair value measurements

Fair value of an asset or a liability is determined as 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. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market 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.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique 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 Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.20 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Going concern

The Group and the Company apply judgement and assumptions in determining their ability to continue as going concerns of at least 12 months from the end of the financial year which is subject to material uncertainty. The Group and the Company consider the facts and circumstances and make assumptions about the future, including their plan to realise their assets and discharge their liabilities in the normal course of business.

(b) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for different cash-generating units, including sensitivity analysis, are disclosed in Note 8.

(c) Impairment of property, plant and equipment

The Group assesses impairment of property, plant and equipment whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost of disposal for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. The Group uses its judgement to decide the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial positions and results if the actual cash flows are less than expected.

The carrying amount of the property, plant and equipment are disclosed in Note 5.

(d) Impairment of investment in subsidiaries

The Company tests investment in subsidiaries for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary. The assessment of the net tangible assets of the subsidiaries affects the results of the impairment test.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's tests for impairment of investment in subsidiaries.

The carrying amounts of the Company's investment in subsidiaries are disclosed in Note 6.

5. PROPERTY, PLANT AND EQUIPMENT

	Warehouse building and improvements RM'000	Containers, pallets, plant and machinery RM'000	Renovation and electrical installations RM'000	Signboard, furniture and fittings, EDP equipment and office equipment RM'000	Motor vehicles, lorries and trucks RM'000	Capital work-in-progress RM'000	Right-of-use assets RM'000	Total RM'000
Group								
2020								
At cost								
At 1 January 2020	35,431	114,791	3,737	84,616	46,760	1,450	41,522	328,307
Additions	123	221	-	322	565	114	821	2,166
Disposal	-	-	-	(264)	(479)	-	(317)	(1,060)
Written off	-	-	(1,197)	(1,147)	(323)	-	-	(2,667)
Reclassification	-	27	-	330	-	(357)	-	-
At 31 December 2020	35,554	115,039	2,540	83,857	46,523	1,207	42,026	326,746

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Warehouse building and improvements RM'000	Containers, pallets, plant and machinery RM'000	Renovation and electrical installations RM'000	Signboard, furniture and fittings, EDP equipment and office equipment RM'000	Motor vehicles, lorries and trucks RM'000	Capital work-in-progress RM'000	Right-of-use assets RM'000	Total RM'000
Group								
2020								
Accumulated depreciation								
At 1 January 2020	13,318	99,927	2,095	79,875	43,416	-	22,076	260,707
Depreciation charge for the financial year	652	3,108	230	1,810	1,865	-	14,034	21,699
Disposals	-	-	-	(264)	(479)	-	(297)	(1,040)
Written off	-	-	(717)	(1,009)	(323)	-	-	(2,049)
At 31 December 2020	13,970	103,035	1,608	80,412	44,479	-	35,813	279,317
Accumulated impairment losses								
At 1 January 2019	-	-	480	138	-	-	-	618
Impairment losses	-	6,774	-	1,859	1,176	-	-	9,809
Written off	-	-	(480)	(138)	-	-	-	(618)
At 31 December 2020	-	6,774	-	1,859	1,176	-	-	9,809
Carrying amount								
At 31 December 2020	21,584	5,230	932	1,586	868	1,207	6,213	37,620

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Warehouse building and improvements RM'000	Containers, pallets, plant and machinery RM'000	Renovation and electrical installations RM'000	Signboard, furniture and fittings, EDP equipment and office equipment RM'000	Motor vehicles, lorries and trucks RM'000	Capital work-in-progress RM'000	Right-of-use assets RM'000	Total RM'000
Group								
2019								
At cost								
At 1 January 2019	34,888	111,625	3,706	83,305	45,297	3,286	41,522	323,629
Additions	543	1,368	31	1,069	686	1,158	-	4,855
Written off	-	-	-	(47)	(130)	-	-	(177)
Reclassification	-	1,798	-	289	907	(2,994)	-	-
At 31 December 2019	35,431	114,791	3,737	84,616	46,760	1,450	41,522	328,307

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Warehouse building and improvements RM'000	Containers, pallets, plant and machinery RM'000	Renovation and electrical installations RM'000	Signboard, furniture and fittings, EDP equipment and office equipment RM'000	Motor vehicles, lorries and trucks RM'000	Capital work-in-progress RM'000	Right-of-use assets RM'000	Total RM'000
Group								
Accumulated depreciation								
At 1 January 2019	12,672	96,797	1,861	78,123	42,541	-	292	232,286
Depreciation charge for the financial year	646	3,130	234	1,786	1,005	-	21,784	28,585
Written off	-	-	-	(34)	(130)	-	-	(164)
At 31 December 2019	13,318	99,927	2,095	79,875	43,416	-	22,076	260,707
Accumulated impairment losses								
At 1 January 2019/ 31 December 2019	-	-	480	138	-	-	-	618
Carrying amount								
At 31 December 2019	22,113	14,864	1,162	4,603	3,344	1,450	19,446	66,982

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Renovation and electrical installations RM'000	Furniture and fittings and office equipment RM'000	Right-of-use assets RM'000	Total RM'000
Company				
2020				
At cost				
At 1 January 2020	93	398	605	1,096
Additions	-	2	-	2
At 31 December 2020	93	400	605	1,098
Accumulated depreciation				
At 1 January 2020	93	395	412	900
Depreciation charge for the financial year	-	3	121	124
At 31 December 2020	93	398	533	1,024
Carrying amount				
At 31 December 2020	-	2	72	74

Company	Renovation and electrical installations RM'000	Furniture and fittings and office equipment RM'000	Motor vehicles RM'000	Right-of-use assets RM'000	Total RM'000
2019					
At cost					
At 1 January 2019/ At 31 December 2019	93	398	-	605	1,096
Accumulated depreciation					
At 1 January 2019	91	389	-	291	771
Depreciation charge for the financial year	2	6	-	121	129
At 31 December 2019	93	395	-	412	900
Carrying amount					
At 31 December 2019	-	3	-	193	196

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Assets pledged as security

Warehouse building and improvements of the Group with a carrying amount of RM21.584 million (2019: RM22.113 million) have been pledged as security to secure banking facilities granted to the Group and the Company.

(b) (i) Impairment loss

The Group has performed an impairment assessment on its cash generating unit in order to determine its recoverable amount based on its value-in-use. However, given the circumstances of environment in which the Group operates, there is significant uncertainties in assumptions used in its forecast and any changes in assumption may have a significant effect on the value-in-use. Based on its forecast, the Group estimated that the recoverable amount of the property, plant and equipment is lower than its carrying amount. Hence, an impairment loss of RM9.809 million was recognised in the profit or loss.

(ii) Discount rate

In determining the value-in-use for the cash generating unit, the cash flows were discounted at a rate of 11.2% on a pre-tax basis.

(c) Right-of-use assets

The Group and the Company lease several assets including leasehold land, buildings, catering equipment, plant and equipment and motor vehicles.

Information about leases for which the Group and the Company are lessees is presented below:

Group	Leasehold land RM'000	Buildings RM'000	Catering equipment RM'000	Plant and equipment RM'000	Motor vehicles RM'000	Total RM'000
Carrying amount						
At 1 January 2019	606	33,899	1,030	25	5,670	41,230
Depreciation	(16)	(19,965)	(217)	(6)	(1,580)	(21,784)
At 31 December 2019	590	13,934	813	19	4,090	19,446
Additions	-	514	-	307	-	821
Depreciation	(16)	(13,505)	(9)	(5)	(499)	(14,034)
Disposals	-	-	-	(20)	-	(20)
At 31 December 2020	574	943	804	301	3,591	6,213

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Company Carrying amount	Motor vehicles RM'000
At 1 January 2019	314
Depreciation	(121)
At 31 December 2019	193
Depreciation	(121)
At 31 December 2020	72

The Group leases land for its warehouse space. The lease of the land has remaining lease term of 38 years.

The Group leases the buildings for their office space and operation sites. The leases for office space and operation sites generally have lease term between 3 to 6 years.

The Group also leases catering equipment, plant and equipment and motor vehicles with lease terms ranging from 3 to 7 years.

The Company leases motor vehicles with a lease term of 7 years.

6. INVESTMENT IN SUBSIDIARIES

	Company 2020 RM'000	Company 2019 RM'000
Unquoted shares - at cost	191,334	191,334
Less: Impairment losses		
At the beginning of the financial year	(92,318)	(91,996)
Charge for the financial year (Note 23)	-	(322)
At the end of the financial year	(92,318)	(92,318)
	99,016	99,016

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Effective equity interest 2020 %	Effective equity interest 2019 %	Principal activities
Brahim's SATS Investment Holdings Sdn. Bhd. ("BSIH")*	Malaysia	51	51	Investment holding
Tamadam Crest Sdn. Bhd.*	Malaysia	100	100	Dormant
Tamadam Industries Sdn. Bhd.	Malaysia	100	100	Provision of warehouse rental, bonded warehousing, freight forwarding and transportation services
Brahim's Marketing Sdn. Bhd.*	Malaysia	100	100	Dormant
Brahim's Trading Sdn. Bhd.*	Malaysia	100	100	Dormant
Brahim's Food & Facilities Management Sdn. Bhd.*	Malaysia	100	100	Dormant
Admuda Sdn. Bhd.*	Malaysia	60	60	Dormant
Subsidiary of BSIH				
Brahim's SATS Food Services Sdn. Bhd. ("BSFS")*	Malaysia	35.7	35.7	Catering and catering related services

* The auditors' reports on the financial statements of these subsidiaries contain modification.

(a) **Non-controlling interests in subsidiaries**

The financial information of the subsidiaries of the Group that have non-controlling interests are as follows:

Equity interest held by non-controlling interests:

Name of company	Principal place of business/ country of incorporation	Effective equity interest 2020 %	2019 %
Brahim's SATS Investment Holdings Sdn. Bhd. ("BSIH")	Malaysia	64.3	64.3
Admuda Sdn. Bhd. ("ASB")	Malaysia	40	40

Carrying amount of non-controlling interests:

Name of company	2020 RM'000	2019 RM'000
BSIH	(35,910)	95,324
ASB	(4,508)	(4,494)
	(40,418)	90,830

Profit or loss allocated to non-controlling interests:

Name of company	2020 RM'000	2019 RM'000
BSIH	(131,238)	1,864
ASB	(10)	(11)
	(131,248)	1,853

(b) **Summarised financial information of non-controlling interests**

The summarised financial information before intra-group elimination of the subsidiaries that have non-controlling interests are as follows:

	BSIH RM'000	ASB RM'000
Summarised statements of financial position		
As at 31 December 2020		
Current assets	18,136	27
Non-current assets	82,863	2
Current liabilities	(79,899)	(11,469)
Non-current liabilities	(12,168)	(1)
	8,932	(11,441)
Net assets/(liabilities)	8,932	(11,441)
Summarised statements of comprehensive income		
Financial year ended 31 December 2020		
Revenue	74,941	-
Loss for the financial year	(126,173)	(24)
Total comprehensive loss	(126,173)	(24)
Summarised cash flow information		
Financial year ended 31 December 2020		
Net cash flows used in operating activities	(12,988)	(21)
Net cash flows used in investing activities	(1,087)	-
Net cash flows (used in)/from financing activities	(11,353)	21
Net decrease in cash and cash equivalents	(25,428)	-
Dividends paid to non-controlling interest	-	-

The summarised financial information before intra-group elimination of the subsidiaries that have non-controlling interests are as follows: (continued)

	BSIH RM'000	ASB RM'000
Summarised statements of financial position		
As at 31 December 2019		
Current assets	102,593	27
Non-current assets		
- goodwill	102,270	-
- other than goodwill	50,866	4
Current liabilities	(83,589)	(11,275)
Non-current liabilities	(4,337)	(1)
	167,803	(11,245)
Net assets/(liabilities)	270,073	(11,245)
Summarised statements of comprehensive income		
Financial year ended 31 December 2019		
Revenue	297,781	-
Profit/(Loss) for the financial year	2,895	(28)
Total comprehensive income/(loss)	2,895	(28)
Summarised cash flow information		
Financial year ended 31 December 2019		
Net cash flows from/(used in) operating activities	39,540	(33)
Net cash flows used in investing activities	(5,035)	-
Net cash flows (used in)/from financing activities	(20,532)	33
Net increase in cash and cash equivalents	13,973	-
Dividends paid to non-controlling interest	-	-

(c) Included in the carrying amount of investment in subsidiaries of the Company is an investment of RM69.540 million in a subsidiary which is engaged in the business of providing catering and catering related services. The Company is of the view that no impairment is required for the investment in subsidiaries.

7. INVESTMENT IN A JOINT VENTURE

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Unquoted shares - at cost	-	20,051	-	20,051
Share of post-acquistion reserves, net of dividend received	-	(1,377)	-	-
Less: Disposal	-	(18,674)	-	(20,051)
	-	-	-	-

(a) Details of joint venture are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %	Nature of relationship
Dewina Host Sdn. Bhd. ("DHSB")	Malaysia	-	-	Food and catering activities

(b) Disposal of DHSB

On 29 November 2019, the Company entered into a sale and purchase of shares agreement with HMSHost International B.V. ("HMSH") for the disposal of its entire equity interest in DHSB, comprising 178,500 ordinary shares representing 51% equity interest in DHSB, to HMSH for a total cash consideration of RM7.987 million (equivalent to EUR1,744,000).

(i) Summary of the effects of disposal of DHSB:

	RM'000
Group	
Cash consideration received	7,987
Interest in joint venture	(18,674)
Amount owing to a joint venture	450
Loss on disposal of a joint venture (Note 23)	(10,237)

	RM'000
Company	
Cash consideration received	7,987
Interest in joint venture	(20,051)
Amount owing to a joint venture	450
Loss on disposal of a joint venture (Note 23)	(11,614)

(ii) Effects of disposal on cash flows:

	RM'000
Group and Company	
Cash consideration received, representing cash inflow on disposal	7,987

8. GOODWILL

	Group 2020 RM'000	Group 2019 RM'000
Cost		
At 1 January/31 December	282,563	282,563
Accumulated impairment losses		
At 1 January	180,209	180,209
Charge for the financial year (Note 23)	102,270	-
At 31 December	282,479	180,209
Carrying amount		
At 31 December 2019	84	102,354

(a) The carrying amount of goodwill allocated to the Group's cash generating units ("CGU") are as follows:

	Group 2020 RM'000	Group 2019 RM'000
Catering services	-	102,270
Warehousing and logistics related services	84	84
	84	102,354

(b) Since the beginning of the financial year, the global economy, in particular the aviation industry, faces an uncertainty as a result of the unprecedented COVID-19 pandemic. The travel and border restriction implemented by countries around the world has led to a significant fall in demand for air travel which impacted the Group's financial performance and cash flows.

The Group has performed an impairment assessment on its cash generating unit in order to determine its recoverable amount based on its value-in-use. However, given the circumstances of environment in which the Group operates, there is significant uncertainties in assumptions used in its forecast and any changes in assumption may have a significant effect on the value-in-use. Based on its forecast, the Group estimated that the recoverable amount of the CGU is lower than its carrying amount. Hence, an impairment loss of RM102.270 million was first allocated to goodwill and recognised in the profit or loss. The remaining impairment loss of RM9.809 million was allocated to property, plant and equipment of the CGU.

(c) **Key assumptions used in value-in-use calculations**

Goodwill is tested for impairment annually. This assessment requires the exercise of significant judgement by the directors in the recoverable amount calculation. The assumptions supporting the cash flow forecast and projection, including the forecast growth rates and gross profit margin by their very nature depending on the economic situation and outlook of the aviation industry.

The recoverable amount of CGU of catering and related services as at 31 December 2020 and 31 December 2019 are determined based on value-in-use calculations using a 5-year cash flow projections prepared on budgets. The key assumptions used in the value-in-use calculations are as follows:

	2020	**2019**
Group		
Key assumptions used in value-in-use calculations		
Growth rate		
- airline catering	-63% to 135%	3% to 16%
- non-airline catering	-84% to 46%	1% to 3%
Gross margin	-61% to 152%	59% to 61%
Discounts rate	9.0%	9.0%

9. OTHER INTANGIBLE ASSETS

	Computer software RM'000	License RM'000	Total RM'000
Group			
Cost			
At 1 January 2019/31 December 2019	7,883	19,748	27,631
Written off	(7,883)	(19,748)	(27,631)
31 December 2020	-	-	-
Accumulated amortisation			
At 1 January 2019/31 December 2019	7,883	-	7,883
Written off	(7,883)	-	(7,883)
31 December 2020	-	-	-
Accumulated impairment			
At 1 January 2019/31 December 2019	-	19,748	19,748
Written off	-	(19,748)	(19,748)
31 December 2020	-	-	-
Carrying amount			
At 31 December 2019	-	-	-
At 31 December 2020	-	-	-

The Group has a license to manufacture refined sugar and molasses. However, the Group did not materialise its venture in ASB.

10. DEFERRED TAX (LIABILITIES)/ASSETS

	Group 2020 RM'000	Group 2019 RM'000
At 1 January	9,704	14,896
Recognised in profit or loss (Note 25)	(19,305)	(5,192)
At 31 December	(9,601)	9,704

(a) Presented after appropriate off-setting as follows:

	Group 2020 RM'000	Group 2019 RM'000
Deferred tax assets	1,339	16,331
Deferred tax liabilities	(10,940)	(6,627)
	(9,601)	9,704

(b) The components of deferred tax assets/(liabilities) prior to offsetting are as follows:

	Group 2020 RM'000	Group 2019 RM'000
Deferred tax assets		
Impairment losses on trade receivables	1,310	728
Provisions	-	1,499
Unutilised business losses	23	10,599
Unabsorbed capital allowances	2	3,365
Right-of-use assets	4	140
	1,339	16,331
Deferred tax liabilities		
Differences between the carrying amount of property, plant and equipment and their tax bases	(8,143)	(6,627)
Provisions	(2,797)	-
	(10,940)	(6,627)
	(9,601)	9,704

10. DEFERRED TAX (LIABILITIES)/ ASSETS (continued)

(c) The estimated amounts of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Unutilised business losses	154,457	23,479	12,853	12,844
Unabsorbed capital allowances	18,995	32,067	3	-
Property, plant and equipment	6	13	-	-
Right-of-use assets	9,083	4	-	-
Provisions	722	-	-	-
	183,263	55,563	12,856	12,844
Potential deferred tax assets not recognised at 24% (2019: 24%)	43,983	13,335	3,086	3,083

(d) The availability of unutilised business losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under Income tax Act, 1967 and guidelines issued by the tax authority.

The unutilised business losses are available for offset against future taxable profits of the Group and the Company which will expire in the following financial years:

	Group 2020 RM'000	Company 2020 RM'000
2025	23,478	12,844
2026	37,034	-
2027	93,945	9

11. TRADE AND OTHER RECEIVABLES

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Non-current:					
Non-trade					
Amount owing by a subsidiary	(b)	-	-	2,699	2,699
Less: Impairment losses - amounts owing by a subsidiary	(a)	-	-	(2,699)	-
		-	-	-	2,699
Current:					
Trade					
Trade receivables	(a)	21,554	60,193	-	-
Less: Impairment losses	(a)	(13,035)	(2,977)	-	-
		8,519	57,216	-	-
Non-trade					
Other receivables		1,980	1,522	-	-
GST refundable		153	879	-	-
Amounts owing by subsidiaries	(b)	-	-	13,942	13,597
Amounts owing by related parties	(b)	26	87	-	-
Deposits		462	736	-	-
Prepayments		462	3,522	-	-
		3,083	6,746	13,942	13,597
Less: Impairment losses - amounts owing by subsidiaries	(a)	-	-	(13,942)	(13,597)
- amounts owing by by related parties	(a)	-	(12)	-	-
		-	(12)	(13,942)	(13,597)
		3,083	6,734	-	-
Total trade and other receivables (current)		11,602	63,950	-	-
Total trade and other receivables (non-current and current)		11,602	63,950	-	2,699

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 30 to 60 days (2019: 30 to 60 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis

Receivables that are impaired

The Group's and the Company's trade and other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade and other receivables are as follows:

Trade receivables

	Group	
	2020	2019
	RM'000	RM'000
At 1 January	2,977	6,786
Charged for the financial year		
- Individually assessed	11,591	279
Reversal of impairment losses	(561)	(3,730)
Written off	(972)	(358)
At 31 December	13,035	2,977

Other receivables

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
At 1 January	12	790	13,597	13,224
Charged for the financial year				
- Individually assessed	-	12	3,044	411
Written off	(12)	(790)	-	(38)
At 31 December	-	12	16,641	13,597

Trade receivables that are individually determined to be credit impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

The information about the credit exposures are disclosed in Note 27(b)(i).

(b) Amounts owing by subsidiaries and related parties

The amounts owing by subsidiaries and related parties in which a director has substantial financial interest are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

12. INVENTORES

	Group	
	2020	2019
	RM'000	RM'000
At cost:		
Catering stores	1,166	4,840
Maintenance stores	1,575	2,523
General stores	563	733
	3,304	8,096

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM31.530 million (2019: RM117.428 million).

During the financial year, inventories written off of RM1.361 million (2019: Nil) was recognised in profit or loss under cost of sales.

13. CASH AND SHORT-TERM DEPOSITS

	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	8,117	27,082	276	509
Short-term deposits	3,319	17,643	1,849	11,549
	11,436	44,725	2,125	12,058

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

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Short-term deposits	3,319	17,643	1,849	11,549
Less: Pledged deposits	(3,078)	(7,706)	(1,849)	(1,849)
	241	9,937	-	9,700
Cash and bank balances	8,117	27,082	276	509
	8,358	37,019	276	10,209

(a) The short-term deposits of the Group and the Company bear interest at rates ranging from 1.90% to 3.35% (2019: 2.90% to 3.40%) per annum and mature within one year.

(b) Short-term deposits of the Group and the Company amounting to RM2.990 million and RM1.761 million respectively (2019: RM7.618 and RM1.761 million respectively) pledged as bank guarantee to third party creditors.

(c) Short-term deposits of the Group and the Company amounting to RM0.088 million and RM0.088 million respectively (2019: RM0.088 and RM0.088 million respectively) are pledged for banking facilities as disclosed in Note 15(a).

14. SHARE CAPITAL

	Group and Company			
	Number of shares		Amounts	
	2020	2019	2020	2019
	Unit'000	Unit'000	RM'000	RM'000
Issued and fully paid up (no par value):				
At the beginning/end of the financial year	236,286	236,286	268,266	268,266

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

15. LOANS AND BORROWINGS

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
Non-current:					
Lease liabilities	(b)	2,972	3,792	128	202
Current:					
Term loans	(a)	79,397	77,184	75,348	73,055
Lease liabilities	(b)	1,757	15,006	74	70
		81,154	92,190	75,422	73,125
		84,126	95,982	75,550	73,327
Total loans and borrowings:					
Term loans	(a)	79,397	77,184	75,348	73,055
Lease liabilities	(b)	4,729	18,798	202	272
		84,126	95,982	75,550	73,327

(a) Term loans

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Term loan I	4,049	4,129	-	-
Term loan II	75,348	73,055	75,348	73,055
	79,397	77,184	75,348	73,055

(i) **Term loan I**

Term loan I bears interest at a rate of 7.5% (2019: 7.5%) per annum and is secured and supported as follows:

(i) letter of support from the Company;

(ii) negative pledge; and

(iii) letter of undertaking from the Company to retire at least 50% of the facilities from any placement proceeds of from other cashflow sources.

This term loan is with a financial institution which has common directors with the Company. This term loan has matured on 30 June 2018. However, the financial institution has granted an indulgence to the subsidiary to defer the repayment of the term loan to 30 September 2019 in the previous financial year. On 26 September 2019, the financial institution has granted a further indulgence to the subsidiary to defer the repayment of the term loan to 30 September 2020. On 25 September 2020, the financial institution granted an indulgence to the Company to defer the repayment of term loan to 31 December 2020.

Term loan II

Term loan II bears interest at a rate of 7.65% (2019: 7.65%) per annum and is secured and supported as follows:

(i) the Company's entire equity interest in Brahim's SATS Investment Holdings Sdn. Bhd. and Tamadam Industries Sdn. Bhd.;

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

(iii) a pledge of the fixed deposits with a licensed bank as disclosed in Note 13(c).

The Group and the Company did not meet certain financial covenants for Term Loan II since the previous financial years. Accordingly, the carrying value of the term loan was classified as current liabilities. The financial institution is agreeable to withhold legal action against the Group and the Company until 31 August 2020 subject to compliance with certain terms and conditions. The indulgence granted by the financial institution has lapsed during the financial year.

(ii) On 21 April 2021, the Company received a letter of demand from OCBC's appointed solicitor Shook Lin & Bok, which claimed against the Company to the following:

i. the arrears of rentals due to OCBC in total sum of RM49.880 million as at 1 April 2021;

ii. the Company is given seven days from the date hereon to regularise the said payment, failing which OCBC shall have no option but be compelled to declare default in payment; and

iii. demand that the secured amount to be immediately due and payable.

The Company has defaulted in repaying overdue rental sum of RM49.880 million as at 1 April 2021 as requested by the OCBC under an Ijarah Muntahiah Bi Al-Tamlik Term-Financing-i facility ("Financing Facilities") granted by OCBC to the Company.

On 12 May 2021, OCBC is agreeable to an interim indulgence to withhold legal action against the Company and all security providers until 1 November 2021 subject to strict compliance of certain terms and conditions.

In the event any of the terms and conditions not complied with by the due date, the interim indulgence shall automatically lapse and cease to have any effect and OCBC reserve the right to take all actions which OCBC deem fit under the Financing Facilities.

(b) Lease liabilities

Certain equipment and motor vehicles of the Group and the Company as disclosed in Note 5 are pledged for leases. The interest rate implicit in the leases is ranging from 5.22% to 7.33% (2019: 5.22% to 7.33%).

Future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Minimum lease payments:				
Not later than one year	1,998	15,601	82	82
Later than one year and not later than five years	2,545	3,649	132	214
Later than five years	1,562	1,612	-	-
	6,105	20,862	214	296
Less: Future finance charges	(1,376)	(2,064)	(12)	(24)
Present value of minimum lease payments	4,729	18,798	202	272
Present value of minimum lease payments:				
Not later than one year	1,757	15,006	74	70
Later than one year and not later than five years	2,373	3,191	128	202
Later than five years	599	601	-	-
	4,729	18,798	202	272
Less: Amount due within 12 months	(1,757)	(15,006)	(74)	(70)
Amount due after 12 months	2,972	3,792	128	202

16. PROVISIONS

	Utilities claims and disputes RM'000	Legal claim RM'000	Zakat RM'000	Total RM'000
Group				
At 1 January 2019	6,000	6,900	383	13,283
Recognised in profit or loss (Note 23)	-	-	181	181
At 31 December 2019	6,000	6,900	564	13,464
Repayment during the financial year	(6,000)	-	(2)	(6,002)
At 31 December 2020	-	6,900	562	7,462

(a) Utilities claim and disputes

The provision is in relation to undercharge of chilled water charges to a subsidiary by the chilled water supplier. The sum of RM6.000 million was paid during the financial year by way of three-month instalments.

(b) Legal claim

The provision is in relation to legal claim arose from the non-payment of the first progress claim by a subsidiary, namely Admuda Sdn. Bhd. ("ASB"), for the works done by a third party in relation to the design and construction of a sugar refinery factory. Further details are disclosed in Note 32(a).

17. TRADE AND OTHER PAYABLES

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Non-current:					
Non-trade					
Other payables		2,050	1,353	-	-
Amount owing to a subsidiary	(b)	-	-	1,120	1,120
		2,050	1,353	1,120	1,120

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Current:					
Trade					
Trade payables	(a)	40,787	36,063	-	-
Non-trade					
Other payables		28,740	21,259	3,120	6,897
Accruals		8,462	11,585	78	106
Amount owing to a subsidiary	(b)	-	-	3,737	3,541
Amounts owing to related parties	(b)	3,793	865	376	376
Amount owing to a director	(b)	6,889	6,889	6,189	6,189
Total trade and other payables (current)		88,671	76,661	13,500	17,109
Total trade and other payables (non-current and current)		90,721	78,014	14,620	18,229

(a) Trade payables

The normal trade credit terms granted to the Group ranging from 30 to 60 days (2019: 30 to 60 days).

(b) Amounts owing to a subsidiary, related parties and a director

Included in amount owing to a subsidiary is advances from a subsidiary amounting to RM2.800 million (2019: RM2.800 million) which is non-trade in nature, unsecured, bears interest at a rate of 7% (2019: 7%) per annum and is repayable from 2019 to 2022. The amount classified in non-current liability is RM1.120 million (2019: RM1.120 million).

All other amounts owing to subsidiaries, related parties in which a director has substantial financial interest and a director are unsecured, non-interest bearing and repayable upon demand and is expected to be settled in cash.

18. REVENUE

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Revenue from contract customers:				
Catering and related services	74,941	297,781	-	-
Warehousing revenue	6,443	6,095	-	-
Logistics related services	1,005	1,617	-	-
Management fees from a joint venture	-	305	-	305
	82,389	305,798	-	305
Revenue from other source:				
Dividend income from a joint venture	-	-	-	2,190
	82,389	305,798	-	2,495

The timing of revenue recognition for the Group and the Company from contract with customers is set out below:

	Catering services RM'000	Warehousing and logistic related services RM'000	Management fees from a joint venture RM'000	Total RM'000
Group				
2020				
Timing of revenue recognition:				
At a point in time	74,941	761	-	75,702
Over time	-	6,687	-	6,687
	74,941	7,448	-	82,389
2019				
Timing of revenue recognition:				
At a point in time	297,781	1,246	-	299,027
Over time	-	6,466	305	6,771
	297,781	7,712	305	305,798
Company				
2019				
Timing of revenue recognition:				
Over time			305	305

19. COST OF SALES

	Group 2020 RM'000	Group 2019 RM'000
Catering and related services	84,205	202,813
Warehousing	4,650	4,619
Logistics related services	773	1,194
	89,628	208,626

20. OTHER INCOME

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Gain on disposal of property, plant and equipment	33	-	-	-
Insurance claim	-	192	-	-
Unrealised gain on foreign exchange	81	41	-	-
Realised gain on foreign exchange	-	353	-	-
Rental income	215	8	-	-
Others	344	393	-	15
	673	987	-	15

21. FINANCE INCOME

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Interest income on:				
- short-term deposits	358	845	30	137
- others	1	7	-	-
	359	852	30	137

22. FINANCE COSTS

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Interest expense on:				
- term loans	5,793	5,913	5,792	5,438
- lease liabilities	561	2,105	12	16
- inter-company loan	-	-	196	196
- bank overdrafts	-	30	-	30
- others	353	342	-	-
	6,707	8,390	6,000	5,680

23. LOSS BEFORE TAX AND ZAKAT

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving of loss before tax and zakat:

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Auditors' remuneration:					
- Statutory audit fees					
- current year		335	335	125	125
- prior year		40	5	40	5
- Non-statutory audit fees		25	25	25	25
Depreciation on property, plant and equipment		21,699	28,585	124	129
Expenses relating to short-term leases		8,559	805	207	240
Expenses relating to low value assets		253	5	-	-
Impairment losses on:					
- goodwill		102,270	-	-	-
- investment in subsidiaries		-	-	-	322
- property, plant and equipment		9,809	-	-	-
- trade and other receivables		11,591	291	3,044	411
Loss on disposal of investment in a joint venture		-	10,237	-	11,614
Net realised loss/(gain) on foreign exchange		33	(353)	-	-

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving of loss before tax and zakat: (continued)

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
Net unrealised gain on foreign exchange		(28)	(41)	-	-
Reversal of impairment losses on trade receivables		(561)	(3,730)	-	-
Deposits written off		-	37	-	-
Inventories written off		1,361	-	-	-
Property, plant and equipment written off		-	13	-	-
Bad debts written off		972	5	1	5
Employee benefits expense	24	70,195	94,402	1,223	1,237

24. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Salaries, bonus and other benefits	66,028	86,336	1,197	1,211
Defined contribution plan	4,167	8,066	26	26
	70,195	94,402	1,223	1,237

Included in employee benefits expense are:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Executive director				
- Fees	72	72	72	72
- Other emoluments	1,431	1,448	664	660
Non-executive directors				
- Fees	240	261	240	261
- Other emoluments	18	7	18	2
	1,761	1,788	994	995

25. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 December 2020 and 31 December 2019 are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	127	220	-	-
- Under provision in prior financial year	31	-	-	-
	158	220	-	-
Deferred tax:				
- Origination and reversal of temporary differences	7,873	2,532	-	-
- Under provision in prior financial year	11,432	2,660	-	-
	19,305	5,192	-	-
Income tax expense recognised in profit or loss	19,463	5,412	-	-

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2019: 24%) of the estimated assessable profit for the financial year.

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Loss before tax and zakat	(218,814)	(7,907)	(11,368)	(17,807)
Tax at Malaysian statutory income tax rate of 24% (2019: 24%)	(52,515)	(1,897)	(2,728)	(4,274)
Share of results of joint venture	-	(217)	-	-
Income not subject to tax	(126)	-	-	(526)
Non-deductible expenses	29,993	4,862	2,725	4,797
Deferred tax assets not recognised during the financial year	30,648	4	3	3
Under provision in prior financial years				
- current tax	31	-	-	-
- deferred tax	11,432	2,660	-	-
Income tax expense	19,463	5,412	-	-

26. LOSS PER SHARE

(a) Basic loss per ordinary share

Basic loss per share are based on the loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2020	**2019**
Loss attributable to owners of the Company (RM'000)	(107,029)	(15,353)
Weighted average number of ordinary shares for basic loss per share ('000)	236,286	236,286
Basic loss per share (sen)	(45.30)	(6.50)

(b) Diluted loss per ordinary share

The Company has not issued any dilutive potential ordinary shares and hence, the diluted loss per share is equal to the basic loss per share.

27. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

Financial assets and financial liabilities at amortised cost ("AC")

	Carrying amount RM'000	AC RM'000
At 31 December 2020		
Financial assets		
Group		
Trade and other receivables, net of GST refundable and prepayments	10,987	10,987
Cash and short-term deposits	11,436	11,436
	22,423	22,423
Company		
Cash and short-term deposits	2,125	2,125
Financial liabilities		
Group		
Trade and other payables	(90,721)	(90,721)
Loans and borrowings	(84,126)	(84,126)
	(174,847)	(174,847)
Company		
Other payables	(14,620)	(14,620)
Loans and borrowings	(75,550)	(75,550)
	(90,170)	(90,170)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (continued)

	Carrying amount RM'000	AC RM'000
At 31 December 2019		
Financial assets		
Group		
Trade and other receivables,		
net of GST refundable and prepayments	59,549	59,549
Cash and short-term deposits	44,725	44,725
	104,274	104,274
Company		
Other receivables	2,699	2,699
Cash and short-term deposits	12,058	12,058
	14,757	14,757
Financial liabilities		
Group		
Trade and other payables	(78,014)	(78,014)
Loans and borrowings	(95,982)	(95,982)
	(173,996)	(173,996)
Company		
Other payables	(18,229)	(18,229)
Loans and borrowings	(73,327)	(73,327)
	(91,556)	(91,556)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

The management has a credit policy in place to monitor and minimise the exposure of default by dealing exclusively with high credit rating counterparties.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Trade receivables

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables is not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the profile of its trade receivables on an ongoing basis. As at the reporting date, the Group has a significant concentration of credit risk in the form of outstanding balances arising from the amount due from 3 (2019: 3) customers representing approximately 51% (2019: 58%) of the total trade receivables.

The Group applies the simplified approach to provide for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

The information about the credit risk exposure on the Group's trade receivables using the provision matrix are as follows:

	Expected credit loss rate %	Gross carrying amount at default RM'000	Impairment losses RM'000
Group			
At 31 December 2020			
Trade receivables			
Current	2.17% - 2.79%	1,501	40
>30 days past due	2.42% - 2.56%	402	10
>60 days past due	2.42% - 3.97%	352	9
>90 days past due	2.42% - 17.17%	175	11
>120 days past due	12.17% - 14.37%	753	92
		3,183	162
Individually assessed		18,371	12,873
Total		21,554	13,035
At 31 December 2019			
Trade receivables			
Current	0.28%	30,734	84
>30 days past due	0.00%	1,951	-
>60 days past due	0.00%	449	-
>90 days past due	0.00%	509	-
>120 days past due	4.10% - 9.28%	1,609	139
		35,252	223
Individually assessed		24,941	2,754
Total		60,193	2,977

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group’s and the Company’s maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

As at the end of the reporting date, the Group and the Company consider the other receivables and other financial assets as low risk and did not recognise any loss allowance for impairment for other receivables and other financial assets. Refer to Note 3.10(a) for the Group’s and the Company’s other accounting policies for impairment of financial assets.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company’s exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group’s and the Company’s exposure to liquidity risk arise principally from trade and other payables and loans and borrowings.

The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements.

<u>Maturity analysis</u>

The maturity analysis of the Group’s and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

	|---------------- Contractual cash flows ----------------|				
Group	**Carrying amount RM'000**	**On demand or within 1 year RM'000**	**Between 1 and 5 years RM'000**	**More than 5 years RM'000**	**Total RM'000**
At 31 December 2020					
Trade and other payables	90,721	88,671	2,050	-	90,721
Lease liabilities	4,729	1,998	2,545	1,562	6,105
Term loans	79,397	83,736	-	-	83,736
	174,847	174,405	4,595	1,562	180,562
At 31 December 2019					
Trade and other payables	78,014	76,661	1,353	-	78,014
Lease liabilities	18,798	15,601	3,649	1,612	20,862
Term loans	77,184	81,057	-	-	81,057
	173,996	173,319	5,002	1,612	179,933
Company					
At 31 December 2020					
Other payables	14,620	13,500	1,120	-	14,620
Lease liabilities	202	82	132	-	214
Term loans	75,348	79,687	-	-	79,687
	90,170	93,269	1,252	-	94,521
At 31 December 2019					
Other payables	18,229	17,109	1,120	-	18,229
Lease liabilities	272	82	214	-	296
Term loans	73,055	76,928	-	-	76,928
	91,556	94,119	1,334	-	95,453

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when sales, purchases and borrowings that are denominated in a foreign currency).

Sensitivity analysis for foreign currency risk

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have material impact on the profit/loss after taxation and other comprehensive income of the Group and hence, no sensitivity analysis is presented.

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings with floating interest rates.

Sensitivity analysis for interest rate risk

Interest bearing financial liabilities of the Group and of the Company are exposed to changes in market interest rates. However, the volatility of these interest rates is considered low, and hence, sensitivity analysis is not presented.

(c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of floating rate loans are reasonable approximation of fair value as the loans will be re-priced to market interest rate on or near reporting date.

There have been no transfers between Level 1 and Level 2 during the financial year (2019: no transfer in either directions).

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

	Carrying amount RM'000	Fair value of financial instruments not carried at fair value Level 2 RM'000
Group		
31 December 2020		
Financial liability		
Term loan	4,049	4,049
31 December 2019		
Financial liability		
Term loan	4,129	4,129

28. CAPITAL COMMITMENTS

The Group has made commitments for the following capital expenditures

	Group	
	2020 RM'000	2019 RM'000
Approved and contracted for:		
Property, plant and equipment	280	2,627

29. BANK GUARANTEES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Bank guarantee facilities in favour of third party creditors	24,466	24,979	1,600	1,600

The Group and the Company are exposed to credit risk in relation to bank guarantee given to certain parties for services rendered to the Group and the Company. The maximum exposure to credit risks amounts to RM24.466 million and RM1.600 million respectively (2019: RM24.979 million and RM1.600 million respectively) representing the maximum amount the Group and the Company could pay if the guarantee is called.

The bank guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as securities to the parties for their services rendered to the Group and the Company.

30. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Subsidiaries as disclosed in Note 6;

(ii) Corporate shareholders of subsidiaries and their related companies;

(iii) Joint venture as disclosed in Note 7;

(iv) Entities in which the directors have substantial financial interests;

(v) Key management personnel of the Group and of the Company, comprises persons (including directors) having the authority and responsibility for planning, diversifying and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Subsidiaries				
- Interest expense	-	-	197	196
Joint venture				
- Management fees received	-	(305)	-	(305)
- Dividend income	-	-	-	(2,190)
Corporate shareholder of a subsidiary				
- Sales of goods and services	(32,490)	(141,654)	-	-
- Expenses charged:				
- Rental	22,845	22,525	-	-
- Supply of water	14,593	16,566	-	-
- Electricity	2,798	3,040	-	-
Company related to a corporate shareholder of a subsidiary				
- Consultation services charged	1,427	3,654	-	-
Entities in which a director has substantial financial interests				
- Purchase of supplies	-	14	-	-

(c) Compensation of key management personnel

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Short-term employee benefits	1,743	2,016	736	732
Post-employment employee benefits	118	168	-	-
	1,861	2,184	736	732

31. CAPITAL MANAGEMENT

The Group and the Company manage their capital to ensure that it 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 and the Company 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 and the Company manage their capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt comprises loans and borrowings and trade and other payables, less cash and short-term deposits whereas total equity comprises the equity attributable to owners of the Company. The debt-to-equity ratio of the Group and the Company at the end of the reporting period was as follows:

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
Trade and other payables	17	90,721	78,014	14,620	18,229
Loans and borrowings	15	84,126	95,982	75,550	73,327
Less: Cash and short-term deposits	13	(11,436)	(44,725)	(2,125)	(12,058)
Net debts		163,411	129,271	88,045	79,498
Total equity		(127,062)	111,215	11,045	22,413
Debt-to-equity ratio		*	116%	797%	355%

* The calculation of gross debt equity ratio as at 31 December 2020 is not meaningful to the Group.

32. MATERIAL LITIGATION

(a) On 10 June 2016, the Group's 60% owned subsidiary, Admuda Sdn. Bhd. ("Admuda") received a Writ and Statement of Claim filed on 30 May 2016 at the High Court of Sabah and Sarawak against Admuda for the sum of RM6.900 million together with interest thereon from 24 June 2014 until full and final settlement. The plaintiff's claim arose from the non-payment by Admuda of the first progress claim for the works done by the plaintiff in relation to the design and construction of a sugar refinery factory. A winding-up petition against Admuda was filed by the plaintiff on 9 June 2017.

Following the petition, a settlement agreement was negotiated between the plaintiff, Admuda and the Company. Based on the terms of the draft settlement agreement, the Company was to propose a settlement sum in cash payable to the plaintiff by 16 May 2018. In the event that the settlement in cash is not fulfilled, the Company was to transfer 38% of its shareholding in Admuda to the plaintiff. The winding-up petition was withdrawn on 19 March 2018.

To date, the parties have not executed the settlement agreement.

The claim is not expected to have any material impact on the earnings and net assets of the Group for the financial year ended 31 December 2020 as adequate provision had been made in the financial statements.

(b) On 1 July 2020, Edynis Services Sdn. Bhd. ("plaintiff") has filed an action against a subsidiary, Brahim's SATS Food Services Sdn. Bhd. ("defendant") on the ground of wrongful termination and failure to make payment for several invoices based on two contracts entered.

The plaintiff claims:

(i) a declaration that the contracts were wrongfully terminated by the defendant;

(ii) defendant to pay an outstanding sum of RM0.758 million;

(iii) damages amounting to RM2.439 million originating from the balance payments.

The defendant has also filed for a counter claim against the plaintiff for the sum of RM0.516 million being the penalty sum.

As of to date, the parties are to obtain further direction from High Court of Shah Alam on current status of pleadings.

33. SEGMENT INFORMATION

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

Segments	Products and services
Warehousing and loogistic related services	Providing bonded warehousing, freight forwarding and transportation services and insurance agency
Catering services	Catering and other related services
Investment holding	Provision of management services

	Warehousing and logistic related services RM'000	Catering services RM'000	Investment holding RM'000	Adjustments and eliminations RM'000	Total RM'000
2020					
Revenue:					
Revenue from external customers	7,448	74,941	-	-	82,389
Total revenue	7,448	74,941	-	-	82,389
Results:					
Included in the measure of segment loss are:					
Segment result	(1,604)	(108,656)	(5,420)	(96,786)	(212,466)
Finance income	197	327	31	(196)	359
Finance costs	(76)	(807)	(6,020)	196	(6,707)
Profit/(Loss) before tax	(1,483)	(109,136)	(11,409)	(96,786)	(218,814)
Income tax expense	(2,441)	(17,022)	-	-	(19,463)
Net loss for the financial year	(3,924)	(126,158)	(11,409)	(96,786)	(238,277)
Assets:					
Segments assets	32,806	31,378	109,108	(108,389)	64,903
Liabilities:					
Segments liabilities	4,818	88,976	136,827	(38,656)	191,965
Other segment information:					
Capital expenditure	-	280	-	-	280
Depreciation of property, plant and equipment	1,055	20,320	324	-	21,699
Impairment losses on:					
- goodwill	-	-	-	102,270	102,270
- property, plant and equipment	-	9,809	-	-	9,809
- trade and other receivables	19	11,572	3,044	(3,044)	11,591
Net unrealised loss on foreign exchange	-	53	(81)	-	(28)
Reversal of impairment losses on trade receivables	(196)	(365)	-	-	(561)
Inventories written off	-	1,361	-	-	1,361
Bad debts written off	-	972	-	-	972

	Warehousing and logistic related services RM'000	Catering services RM'000	Investment holding RM'000	Adjustments and eliminations RM'000	Total RM'000
2019					
Revenue:					
Revenue from external customers	7,712	297,781	2,495	(2,190)	305,798
Total revenue	7,712	297,781	2,495	(2,190)	305,798
Results:					
Included in the measure of segment profit/(loss) are:					
Segment result	541	10,206	(12,392)	373	(1,272)
Finance income	202	708	138	(196)	852
Finance costs	(62)	(2,352)	(6,172)	196	(8,390)
Share of results of a joint venture	-	-	-	903	903
Profit/(Loss) before tax and zakat	681	8,562	(18,426)	1,276	(7,907)
Income tax expense	51	(5,463)	-	-	(5,412)
Zakat	-	(181)	-	-	(181)
Net profit/(loss) for the financial year	732	2,918	(18,426)	1,276	(13,500)
Assets:					
Segments assets	32,573	153,388	139,669	(26,947)	298,683
Liabilities:					
Segments liabilities	3,096	84,833	136,807	(37,268)	187,468

	Warehousing and logistic related services RM'000	Catering services RM'000	Investment holding RM'000	Adjustments and eliminations RM'000	Total RM'000
2019					
Other segment information:					
Capital expenditure	-	2,627	-	-	2,627
Depreciation of property, plant and equipment	1,046	27,182	357	-	28,585
Impairment losses on:					
- trade and other receivables	108	171	423	(411)	291
Loss on disposal of investment in a joint venture	-	-	10,237	-	10,237
Net unrealised gain on foreign exchange	-	-	(41)	-	(41)
Reversal of impairment losses on trade receivables	(298)	(3,432)	-	-	(3,730)
Deposits written off	-	-	37	-	37
Property, plant and equipment written off	13	-	-	-	13
Bad debts written off	-	-	5	-	5

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 the Group's revenue, amounting to RM34.750 million (2019: RM141.562 million) arose from sales of the catering services segment.

34. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) On 16 March 2020, the Board of Directors of the Company announced that Bursa Securities decided to grant the Company an extension of time until 27 August 2020 for the Company to submit its Regularisation Plan to the relevant authorities.

On 26 March 2020, Bursa Securities announced that in view of the on-going Movement Control Order imposed arising from the COVID-19 pandemic, PN17 companies whose First Announcement was made between 2 January 2019 to 31 December 2019 will be allowed to submit their regularisation plans within 24 months (instead of 12 months) from the date of the First Announcement. Consequently, the Company now has extension until 27 February 2021 to submit its regularisation plan.

On 17 February 2021, the Company has obtained the approval from Bursa Securities for the extension of time until 27 August 2021 to submit its regularisation plan.

(b) On 4 March 2020, OCBC Al-Amin Bank Berhad ("OCBC") is agreeable to withhold legal action against the Group and the Company until 31 August 2020 subject to compliance with certain terms and conditions. The indulgence granted by the financial institution has lapsed during the financial year. As disclosed in Note 2.7, on 21 April 2021, the Company received a letter of demand from OCBC's appointed solicitor Shook Lin & Bok which claimed against the Company to the following:

i. the arrears of rentals due to OCBC in total sum of RM49.880 million as at 1 April 2021;

ii. the Company is given seven days from the date hereon to regularise the said payment, failing which OCBC shall have no option but be compelled to declare default in payment; and

iii. demand that the secured amount to be immediately due and payable.

On 22 April 2021, the Company has defaulted in repaying overdue rental sum of RM49.880 million as at 1 April 2021 as requested by the OCBC under an Ijarah Muntahiah Bi Al-Tamlik Term-Financing-i facilities ("Financing Facilities") granted by OCBC to the Company. After further reasonable inquiry into the affairs of the Company by the Board of Directors ("the Board"), the Board is of the opinion that the Company is unable to provide to Bursa Securities a solvency declaration as required under Paragraph 9.19A(4) of the Listing Requirements.

On 12 May 2021, OCBC is agreeable to an interim indulgence to withhold legal action against the Company and all security providers until 1 November 2021 subject to strict compliance of certain terms and conditions.

In the event any of the terms and conditions not complied with by the due date, the interim indulgence shall automatically lapse and cease to have any effect and OCBC reserve the right to take all actions which OCBC deem fit under the Financing Facilities.

(c) **COVID-19 pandemic**

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed several levels of Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown, social distancing and other precautionary measures imposed in various countries.

The Group has considered and estimated the impact of the COVID-19 pandemic in the Group's financial position and performance by carrying out the following assessments:

- impairment assessment of its property, plant and equipment, inventories and trade receivables;
- determination of additional provisions for rectification costs and onerous contracts; and
- assessment of constraints on variable consideration in relation to revenue recognition.

In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Group has, as at the reporting date, used internal and external sources, including economic forecasts and estimates from market sources. However, the impact assessment of the COVID-19 pandemic is a continuing process and the Group will continue to monitor any material changes to future economic conditions. The Group's operations are largely dependent on air traffic and hence, liquidity requirements and cash flow positions are subject to fluctuations and market exposures. As the Group's earnings and operating cashflows are expected to be affected by the challenging operating environment due to the COVID-19 pandemic, the Group is currently focusing on capital and cashflow management, including cost-cutting measures and actively seeking to enhance their financing facilities. These are expected to equip the Group with sufficient cash flows and financial resources to meet its obligations as and when they fall due. Details of the Group's liquidity risk management and available facilities are disclosed under the Liquidity risk section in Note 27(b)(ii).

As the ongoing COVID-19 pandemic continues to evolve, there is significant uncertainty over the duration of the pandemic and its full range of possible effects on the Group's financial and liquidity positions.

123 STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, **DATO’ SERI IBRAHIM BIN HAJI AHMAD** and **DATO’ CHOO KAH HOE**, being two of the directors of Brahim’s Holdings Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

DATO’ SERI IBRAHIM BIN HAJI AHMAD

Director

DATO’ CHOO KAH HOE

Director

Kuala Lumpur

Date: 21 May 2021

124 STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, **MOHD FADHLI BIN ABDUL RAHMAN,** being the officer primarily responsible for the financial management of Brahim's Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements are 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.

MOHD FADHLI BIN ABDUL RAHMAN
MIA Membership No.: 44302

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 21 May 2021.

Before me,

PESURUHJAYA SUMPAH
W 729
MARDHIYYAH
ABDUL WAHAB
1 JAN 2021-31 DIS 2023
MALAYSIA

SUITE 9.03, TINGKAT 9
MENARA RAJA LAUT
NO. 288 JALAN RAJA LAUT
50350 KUALA LUMPUR

125 INDEPENDENT AUDITORS' REPORT

To the Members of Brahim's Holdings Berhad

BRAHIM'S HOLDINGS BERHAD

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Brahim's Holdings Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 91.

We do not express an opinion on the accompanying financial statements of the Group and of the Company because of the significance of matter described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. As disclosed in Note 2.7 to the financial statements, on 28 February 2019, the directors of the Company announced that the Company had triggered the prescribed criteria under Paragraph 2.1(a) of Practice Note 17 ("PN 17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), as the shareholders' equity of the Group is less than RM40.000 million and is 25% or less of its issued and paid-up capital. The Company is required to submit a regularisation plan to Securities Commission Malaysia and Bursa Securities by 27 February 2020. On 13 February 2020, the Company submitted an application to Bursa Securities for the extension of time for submission of its regularisation plan. On 13 March 2020, the Company has obtained the approval from Bursa Securities for the extension of time until 27 August 2020 for its submission of its regularisation plan.

   On 26 March 2020, Bursa Securities announced that in view of the on-going Movement Control Order imposed arising from the COVID-19 pandemic, PN17 companies whose First Announcement was made between 2 January 2019 to 31 December 2019 will be allowed to submit their regularisation plans within 24 months (instead of 12 months) from the date of the First Announcement. The Company has extension until 27 February 2021 to submit its regularisation plan. On 18 February 2021, the Company has obtained the approval from Bursa Securities for the extension of time until 27 August 2021 for its submission of its regularisation plan.

   Since the beginning of the financial year, the global economy, in particular the aviation industry, faces an uncertainty as a result of the unprecedented COVID-19 pandemic. The travel and border restriction implemented by countries around the world has led to a significant fall in demand for air travel which impacted the Group's and the Company's financial performance and cash flows.

   The Group and the Company incurred a net loss after tax of RM238.277 million and RM11.368 million respectively for the financial year ended 31 December 2020 and, as of that date, the Group's and the Company's current liabilities exceeded the current assets by RM150.143 million and RM86.797 million respectively. In addition, the Group is in a capital deficiency of RM127.062 million as at 31 December 2020.

   On 6 April 2021, the Company has announced to undertake the Propose Private Placement of up to 70,885,600 new ordinary shares, representing up to approximately 30% of the total number of issued shares of the Company. On 21 April 2021, the Company has obtained the approval from the shareholders at the Extraordinary General Meeting.

As disclosed in Note 15(a)(ii), on 21 April 2021, the Company received a letter of demand from OCBC Al-Amin Berhad's ("OCBC") appointed solicitor which claimed against the Company on the following:

i. the arrears of rentals due to OCBC in total sum of RM49.880 million as at 1 April 2021;

ii. the Company is given seven days from the date hereon to regularise the said payment, failing which OCBC shall have no option but be compelled to declare default in payment; and

iii. demand that the secured amount to be immediately due and payable.

On 22 April 2021, the Company has defaulted in repaying overdue rental sum of RM49.880 million as at 1 April 2021 as requested by the OCBC under an Ijarah Muntahiah Bi Al-Tamlik Term-Financing-i facilities granted by OCBC to the Company. After further reasonable inquiry into the affairs of the Company by the Board of Directors ("the Board"), the Board is of the opinion that the Company is unable to provide to Bursa Securities a solvency declaration as required under Paragraph 9.19A(4) of the Listing Requirements. Pursuant to the above, the Company has further triggered the prescribed criteria under Paragraph 2.1(f) of PN17 of the Listing Requirements on 22 April 2021.

On 12 May 2021, OCBC is agreeable to an interim indulgence to withhold legal action against the Company and all security providers until 1 November 2021 subject to compliance of certain terms and conditions.

These events or conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

The ability of the Group and the Company to operate as going concerns is dependent on:

- discussion with the financial institution for settlement which is still in progress;
- continue its other remaining business operations and engage with the lenders and suppliers for their continuous support; and
- formularisation of a proposed regularisation plan.

In the event that these are not forthcoming, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. Accordingly, the financial statements may require adjustments relating to the recoverability and classification of recorded assets and to additional amount and classification of liabilities that may be necessary should the Group and Company be unable to continue as going concerns.

We have not been able to obtain sufficient and appropriate audit evidence to ascertain the appropriateness of the preparation of the financial statements of the Group and of the Company on going concerns basis.

2. (i) As disclosed in Note 8(b) to the financial statements, since the beginning of the financial year, the global economy, in particular the aviation industry, faces an uncertainty as a result of the unprecedented COVID-19 pandemic. The travel and border restriction implemented by countries around the world has led to a significant fall in demand for air travel which impacted the Group's financial performance and cash flows.

   The Group has performed an impairment assessment on its cash generating unit in order to determine its recoverable amount based on its value-in-use. However, given the circumstances of environment in which the Group operates, there is significant uncertainties in assumptions used in its forecast and any changes in assumption may have a significant effect on the value-in-use. Based on its forecast, the Group estimated that the recoverable amount of the CGU is lower than its carrying amount. Hence, an impairment loss of RM102.270 million was first allocated to goodwill and recognised in the profit or loss. The remaining impairment loss of RM9.809 million was allocated to property, plant and equipment of the CGU.

   (ii) As disclosed in Note 5(b)(i) to the financial statements, the Group has performed an impairment assessment on its cash generating unit in order to determine its recoverable amount based on its value-in-use. However, given the circumstances of environment in which the Group operates, there is significant uncertainties in assumptions used in its forecast and any changes in assumption may have a significant effect on the value-in-use. Based on its forecast, the Group estimated that the recoverable amount of the property, plant and equipment is lower than its carrying amount. Hence, an impairment loss of RM9.809 million was recognised in the profit or loss.

   We were unable to obtain sufficient and appropriate audit evidence on the recoverable amount of the goodwill and property, plant and equipment. Therefore, we could not determine the effect of adjustment, if any, on the financial statements of the Group.

3. As disclosed in Note 6(c) to the financial statements, included in the carrying amount of investment in subsidiaries is an investment of RM69.540 million in a subsidiary which is engaged in the business of providing catering and catering related services. The Company is of the view that no impairment is required for the investment in subsidiaries.

   We were unable to obtain sufficient and appropriate audit evidence on the carrying amount of the investment in subsidiaries. Therefore, we could not determine the effect of adjustment, if any, on the financial statements of the Company.

4. Our auditors' report on the financial statements for the financial year ended 31 December 2019 was qualified on recoverable amount of goodwill and investment in subsidiaries in relation to the cash generating units ("CGU") of the catering and related services.

   Our opinion on the current year's financial statements is also modified because of the possible effects of these matters on the comparability of the corresponding figures.

5. In light of all the matters highlighted above, there may be further significant impact on the recorded assets, liabilities, income, expenses and the related disclosures of the Group's and the Company's financial statements. However, the financial statements have not taken into consideration the adjustments, if any.

   We could not determine whether any adjustment is required on the financial statements of the Group and the Company.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Group's and the Company's financial statements in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, and to issue an auditors' report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws* (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that:

(i) in our opinion, the accounting and other records for the matters as described in the *Basis for Disclaimer of Opinion* section have not been properly kept by the Company in accordance with the provision of the Companies Act 2016 in Malaysia.

(ii) in our opinion, we have not obtained all the information and explanations that we required.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Boon Hiang
No. 02916/03/2022 J
Chartered Accountant

Kuala Lumpur
Date: 21 May 2021

129 LIST OF PROPERTIES

Address	Tenure	Size	Description and Existing Use	Net Book Value (RM)	Owner/Date of Acquisition	Approximate Age of Buildings
Part of Lot 14473 Mukim of Klang, District of Klang, Selangor Darul Ehsan.	Leasehold - expiring 10 December 2027 with an option to renew for 30 years	15.134 acres	Warehouse	21,583,577	Tamadam Industries Sdn. Bhd./ 1 November 1991	20 years

130 ANALYSIS OF SHAREHOLDINGS

ANALYSIS OF SHAREHOLDINGS AS AT 17 MAY 2021

Issued Share Capital	:	236,285,500 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote for ordinary share
Number of shareholders	:	3,244

Analysis by size of Shareholdings

Size of holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
1 - 99	155	4.78	5,152	0.00
100 – 1,000	897	27.65	668,630	0.28
1,001 – 10,000	1,562	48.15	7,289,468	3.09
10,001 – 100,000	538	16.59	16,731,500	7.08
100,001 - 11,814,274 *	87	2.68	70,032,300	29.84
11,814,275 and above **	5	0.15	141,558,450	59.91
TOTAL	3,244	100.00	236,285,500	100.00

* Less than 5% of issued shares capital

** 5% and above of issued shares capital

Directors' Shareholdings according to the Register of Directors' Shareholdings

No.	Directors	Direct		Indirect	
		No. of shares held	%	No. of shares held	%
1.	Dato' Seri Ibrahim Bin Haji Ahmad	-	-	58,253,300[2]	24.65
2.	Dato' Choo Kah Hoe	-	-	25,000,000[4]	10.58
3.	Professor Dr. Jinap Binti Salamet	-	-	-	-
4.	Kamil Bin Dato' Haji Abdul Rahman	-	-	-	-
5.	Tay Ben Seng, Benson	-	-	-	-
6.	Mejar Dato' Ismail Bin Ahmad	-	-	-	-
7.	Ahmad Fahimi Bin Ibrahim (Alternate Director to Dato' Seri Ibrahim Bin Haji Ahmad)	-	-	-	-

List of Substantial Shareholders according to the Register of Substantial Shareholders

No.	Substantial shareholders	Direct		Indirect	
		No. of shares held	%	No. of shares held	%
1.	Brahim's International Franchises Sdn. Bhd.	33,005,000	13.97	-	-
2.	Fahim Capital Sdn. Bhd.	-	-	33,005,000[1]	13.97
3.	Semantan Capital Sdn. Bhd.	-	-	33,005,000[1]	13.97
4.	Dato' Seri Ibrahim Bin Haji Ahmad	-	-	58,253,300[2]	24.65
5.	Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	1,050,000	0.44	33,005,000[3]	13.97
6.	IBH Capital (Labuan) Limited	25,000,000	10.58	-	-
7.	Dato' Choo Kah Hoe	-	-	25,000,000[4]	10.58
8.	Urusharta Jamaah Sdn. Bhd.	45,553,450	19.28	-	-
9.	Focus Dynamics Centre Sdn. Bhd.	38,000,000	16.08	-	-

Notes:-

1. Deemed interested in shares by virtue of their shareholdings in Brahim's International Franchises Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.
2. 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 8 of the Companies Act, 2016.
3. 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 8 of the Companies Act, 2016.
4. Deemed interested in shares by virtue of his shareholdings in IBH Capital (Labuan) Limited pursuant to Section 8 of the Companies Act, 2016.

Top Thirty (30) Securities Account Holders as at 17 May 2021

	Name	No. of shares held	Percentage (%)
1.	Citigroup Nominees (Tempatan) Sdn. Bhd. Urusharta Jamaah Sdn. Bhd. (1)	45,553,450	19.28
2.	M & A Nominee (Tempatan) Sdn. Bhd. Exempt an for Sanston Financial Group Limited (Account Client)	38,000,000	16.08
3.	IBH Capital (Labuan) Limited	25,000,000	10.58
4.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Brahim's International Franchises Sdn. Bhd. (44-00002-000)	17,000,000	7.19
5.	Brahim's International Franchises Sdn. Bhd.	16,005,000	6.77
6.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. Exempt an for Nomura PB Nominees Ltd	10,632,400	4.50
7.	Kong Kok Keong	8,517,500	3.60
8.	CGS-CIMB Nominees (Asing) Sdn. Bhd. Exempt an for CGS-CIMB Securities (Hong Kong) Limited (Foreign Client)	5,994,800	2.54
9.	Sharifah Bahiyah Binti Wan Omar	5,777,300	2.45
10.	Nur Fatin Binti Ibrahim	3,460,000	1.46
11.	CIMB Islamic Nominees (Tempatan) Sdn. Bhd. CIMB Islamic Trustee Bhd for BIMB I Tactical Fund	2,250,000	0.95
12.	Lai Yee Ling	2,139,200	0.91
13.	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Trustees Berhad for BIMB I Growth Fund (940160)	2,000,000	0.85
14.	Lai Yee Voon	1,800,000	0.76

	Name	No. of shares held	Percentage (%)
15.	Quek Yong Wah	1,650,000	0.70
16.	Tan Yoke Wu	1,490,000	0.63
17.	Wan Omar Bin Wan Ahmad	1,280,900	0.54
18.	Sharifah Bahiyah Binti Wan Omar	1,184,600	0.50
19.	CIMB Islamic Nominees (Tempatan) Sdn. Bhd. MIDF Amanah Asset Management Berhad for Renesas Semiconductor (M) Sdn. Bhd. (JF290)	1,000,000	0.42
20.	Wee Kok Chuan	1,000,000	0.42
21.	Ng Khea Chuan	965,000	0.41
22.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Batu Bara Resources Corporation Sdn. Bhd.	810,000	0.34
23.	Cartaban Nominees (Tempatan) Sdn. Bhd. SCBMB Trustee Berhad for BIMB Dana Al-Munsif	750,000	0.32
24.	Piong Yon Wee	750,000	0.32
25.	Amanahraya Trustees Berhad BIMB I Flexi Fund	700,000	0.30
26.	Yu Kok Ann	700,000	0.30
27.	Othman Bin Mohd Noor	600,100	0.25
28.	Zaidi Bin Mohd Zin	550,000	0.23
29.	Zuriana Binti Din	550,000	0.23
30.	Chin Kiam Hsung	538,000	0.23
	Total	**198,648,250**	**84.06**

135 NOTICE OF ANNUAL GENERAL MEETING

BRAHIM'S HOLDINGS BERHAD
[Registration No.: 198201002985 (82731-A)] (Incorporated in Malaysia)

NOTICE OF 39th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 39th Annual General Meeting of BRAHIM'S HOLDINGS BERHAD ("**the Company**") will be held as a fully virtual meeting via live streaming from the Broadcast Venue at Brahim's Holdings Berhad, 7-05, 7th Floor, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia on Wednesday, 30 June 2021 at 3:00 p.m. for the following purposes:-

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note)**

2. To approve the payment of Directors' Fees amounting to RM320,827.00 for the financial year ended 31 December 2020. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' Remuneration (excluding Directors' Fee) payable to the Board an amount of RM50,000.00 for the period from 1 July 2021 until the next Annual General Meeting. **(Ordinary Resolution 2)**

4. To re-elect Professor Dr. Jinap Binti Salamet, who retire in accordance with Clause 95 of the Company's Constitution. **(Ordinary Resolution 3)**

5. To re-elect the following Directors who retire in accordance with Clause 101 of the Company's Constitution:

   (i) Tay Beng Seng, Benson **(Ordinary Resolution 4)**
   (ii) Mejar Dato' Ismail Bin Ahmad **(Ordinary Resolution 5)**

6. To re-appoint Messrs. Baker Tilly Monteiro Heng PLT (AF 0117) as Auditors of the Company until the conclusion of the next Annual General Meeting and authorise the Directors to fix their remuneration. **(Ordinary Resolution 6)**

Special Business

To consider and, if thought fit, to pass the following ordinary resolutions with or without modification:

7. **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016**

   "THAT subject to the Companies Act 2016, Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors to issue not more than ten percent (10%) of the issued capital (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company in accordance with Section 76 of the Companies Act 2016 and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof." **(Ordinary Resolution 7)**

8. **To transact any other business for which due notice has been given in accordance with the Companies Act 2016.**

By Order of the Board

TEO MEE HUI (MAICSA No. 7050642 & SSM PC No. 202008001081)
TAN KOK SIONG (LS No. 0009932 & SSM PC No. 202008001592)

Company Secretaries Kuala Lumpur

Dated: 31 May 2021

Notes:

1. *Please refer to the Administrative Guide for the procedures to register and participate in the virtual meeting.*

2. *The Broadcast Venue, which is the main venue of the 39th Annual General Meeting ("AGM") is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the AGM is to inform shareholders where the electronic AGM production and streaming would be conducted from. NO SHAREHOLDER(S)/PROXY(IES) from the public will be allowed to be physically present at the Broadcast Venue.*

3. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*

4. *A member may appoint not more than two (2) proxies to attend the same meeting. However, where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an authorised nominee appoints 2 or more proxies, the appointment shall not be valid unless the member specifies the proportion of its shareholding to be represented by each proxy.*

5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

6. *The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*

7. *The instrument appointing a proxy and the power of attorney or other attorney, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200, Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding of the meeting or adjourned meeting.*

8. *The Date of Record of Depositors for the purpose of determining members' entitlement to attend, vote and speak at the meeting is Wednesday, 23 June 2021.*

Explanatory Notes Item 1 of the Agenda

The Audited Financial Statements under this agenda item is meant for discussion only as the provision of Section 340(1) of the Companies Act 2016 does not require a formal approval of the shareholders and hence this item is not put forward for voting.

Ordinary Resolutions 1 and 2

Section 230(1) of the Companies Act 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 39th AGM on the Directors' remuneration in two

(2) separate resolutions as below:-

- Resolution 1 on payment of Directors' fees for the financial year ended 31 December 2020; and
- Resolution 2 on payment of Directors' Remuneration (excluding Directors' Fees) payable to Directors for the financial period from 1 July 2021 until the next AGM.

The payment of the Directors' Fees in respect of the financial year ended 31 December 2020 will only be made if the proposed Resolution 1 has been passed at the 39th AGM pursuant to Section 230(1) of the Companies Act 2016.

The proposed Directors' Remuneration (excluding Directors' Fees) comprises the following allowance payable to the Board of the Company and its subsidiaries:-

No.	Description	Non-Executive Directors
1.	Meeting Allowance: Board of Directors' Meeting	RM500.00 (per meeting)

Ordinary Resolutions 3, 4 and 5

Professor Dr. Jinap Binti Salamet, Tay Ben Seng, Benson and Mejar Dato' Ismail Bin Ahmad are standing for re- election as Directors of the Company and being eligible, have offered themselves for re-election at the 39th AGM.

The Board has through the Nomination Committee, considered the assessment of the Directors and agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their roles as Directors.

Ordinary Resolution 7 - Authority to Issue Shares

The proposed Ordinary Resolution 7, if passed, will empower the Directors from the date of this AGM, to issue and allot up to a maximum of 10% of the total number of issued share capital of the Company for the time being for such purposes as they consider would be in the best interests of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

The rationale for this general mandate is to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new shares for future business opportunities and thereby reducing administrative time and cost associated with the convening of such meeting(s). The renewal of such general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares, for the purpose of future investment project(s), working capital, repayment of borrowings and/or acquisitions.

This is the renewal of the mandate obtained from the members at the last AGM. The previous mandate was not utilised and accordingly no proceeds were raised.

**Note: Please refer to the Administrative Guide attached to the Notice of the 39th AGM on the details pertaining to the precautionary measures taken by the Company, as part of the initiatives to curb the spread of the Coronavirus Disease (COVID-19) outbreak.*

138 ADMINISTRATIVE GUIDE

BRAHIM'S HOLDINGS BERHAD

(Registration No. 198201002985 (82731-A))

(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE FOR 39th ANNUAL GENERAL MEETING ("AGM")

Date	:	30 June 2021
Time	:	3.00 p.m.
Broadcast Venue	:	Brahim's Holdings Berhad, 7-05, 7th Floor, Menara Hap Seng, Jalan P. Ramlee 50250 Kuala Lumpur, Malaysia
Meeting Platform	:	https://web.lumiagm.com/
Mode of Communication	:	1. Shareholders may pose questions during live streaming at https://web.lumiagm.com 2. Shareholders may submit questions in advance on the AGM resolutions commencing from 24 June 2021 and in any event no later than 3.00 p.m., 28 June 2021 via Boardroom's website at https://boardroomlimited.my using the same user ID and password provided in Step 2 below, and select "SUBMIT QUESTION" to pose questions ("Pre-AGM Meeting Questions").

Dear Shareholders,

As a precautionary measure amid the COVID-19 outbreak, the Company's AGM will be conducted virtually on the above Meeting Platform, as the safety of our members, Directors, staff and other stakeholders who will attend the AGM is of paramount importance to us.

In line with the Malaysian Code on Corporate Governance Practice 12.3, by conducting a virtual meeting, this would facilitate greater shareholder participation as it facilitates electronic voting and remote shareholders' participation.

With the Remote Participation and Electronic Voting ("**RPEV**") facilities, you may exercise your right as a member of the Company to participate remotely (including pose questions to the Board of Directors and/or Management of the Company) and vote via electronic voting at the virtual AGM. Alternatively, you may also appoint the Chairman of the Meeting as your proxy to attend and vote on your behalf at the virtual AGM.

Kindly ensure that you are connected to the internet at all times in order to participate and vote when our virtual AGM has commenced. Therefore, it is your responsibility to ensure that connectivity for the duration of the meeting is maintained. The quality of the live webcast is dependent on the bandwidth and stability of the internet connection of the participants.

Broadcast Venue

The venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue.

Shareholders/proxies/corporate representatives **WILL NOT BE ALLOWED to be physically present** nor will they be admitted at the Broadcast Venue on the day of the AGM.

Entitlement to Participate in the Virtual AGM

In respect of deposited securities, only members whose names appear on the **General Meeting Record of Depositors as at 23 June 2021** shall be eligible to participate and vote at the virtual AGM or appoint proxy(ies)/corporate representatives to participate and vote on his/her/their behalf.

Lodgement of Proxy Form

1. Shareholders are encouraged to go online, participate, and vote at the AGM using RPEV facilities. Shareholders who are unable to join the virtual AGM are encouraged to appoint the Chairman of the Meeting or their proxy to vote on their behalf.
2. If you wish to attend the virtual AGM yourself, please do not submit any Proxy Form. You will not be allowed to attend the virtual AGM together with a proxy appointed by you.
3. The Proxy Form can be deposited with the Company's Share Registrars, Boardroom Share Registrars Sdn. Bhd. at **Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia o**r by electronic means through the Share Registrar's website, Boardroom Smart Investor Online Portal, not later than 48 hours before the AGM (i.e. **latest by Monday, 28 June 2021 at 3.00 p.m.**) which is free and available to all individual shareholders. For further information, kindly refer to the "Electronic Lodgement of Form of Proxy" below:

Step 1 Register Online with Boardroom Smart Investor Online Portal (for first-time registration only)

(Note: If you have already signed up with Boardroom Smart Investor Online Portal, you are not required to register again. You may proceed to Step 2 on e-Proxy Lodgement.)

(a) Access website https://boardroomlimited.my.
(b) Click **<<Login>>** and click **<<Register>>** to sign up as a user.
(c) Complete the registration and upload a softcopy of your MyKAD/Identification Card (front and back) or Passport in JPEG, PDF or PNG format.
(d) Please enter a valid email address and wait for Boardroom's email verification.
(e) Your registration will be verified and approved within one (1) business day and an email notification will be provided.

Step 2 e-Proxy Lodgement

(a) Access website https://boardroomlimited.my.
(b) Login with your User ID and Password given above.
(c) Go to "**E-PROXY LODGEMENT**" and browse the Meeting List for **BRAHIM'S HOLDINGS BERHAD VIRTUAL ANNUAL GENERAL MEETING**-and click "**APPLY**".
(d) Read the terms & conditions and confirm the Declaration.
(e) Enter your CDS Account Number and indicate the number of securities.
(f) Appoint your proxy(ies) or the Chairman of the AGM and enter the required particulars for your proxy(ies).
(g) Indicate your voting instructions – FOR, ~~or~~ AGAINST or ABSTAIN, otherwise your proxy(ies) will decide your votes.
(h) Review and confirm your proxy(ies) appointment.
(i) Click submit

Revocation of Proxy

If you have submitted your Proxy Form prior to the AGM and subsequently decide to appoint another person or wish to participate in the virtual AGM by yourself, please write to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy(ies) at least 48 hours before the AGM. On revocation, your proxy(ies) will not be allowed to participate in the virtual AGM. In such an event, you should advise your proxy(ies) accordingly.

Poll Voting (For Virtual AGM)

1. The voting will be conducted by the poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Boardroom Share Registrars Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic voting (e-Voting) and Sky Corporate Services Sdn. Bhd. as Scrutineers to verify the poll results.

2. During the virtual AGM, the Chairman will invite the Poll Administrator to brief on the e-Voting housekeeping rules.

3. For the purposes of the virtual AGM, the remote participation and e-Voting will be carried out via the following voting devices:

   (a) Personal smart mobile phones;

   (b) Tablets; or

   (c) Laptops.

4. There are two (2) methods for members and proxies who wish to use their personal voting device to vote as follows:

   (a) Launch Lumi Apps by scanning the QR Code provided in the email notification; or

   (b) Using website URL https://web.lumiagm.com.

5. Members and proxies can login immediately after registering their attendance, but polling will only be opened after the announcement of the poll voting session open by the Chairman and until such time when the Chairman announces the closure of the poll.

6. Once voting has been opened, the polling icon will appear with the resolutions and your voting choices.

   - To vote simply select your voting direction from the options provided. A confirmation message will appear to show your vote has been received.

   - To change your vote, simply select another voting direction.

   - If you wish to cancel your vote, please press "Cancel".

7. The Scrutineers will verify the poll result reports upon closing of the poll voting session by the Chairman. Scrutineers will pass the poll results to the Chairman thereafter and the Chairman will declare whether the resolution put to vote was successfully carried or not.

Remote Participation and Electronic Voting ("RPEV")

1. Please note that the RPEV facilities are available to:

   (i) Individual member;

   (ii) Corporate shareholder;

   (iii) Authorised Nominee; and

   (iv) Exempt Authorised Nominee

2. If you choose to participate in the virtual AGM, you will be able to view a live webcast of the AGM proceedings, pose questions to the Board, and submit your votes in real-time whilst the meeting is in progress.

3. Kindly follow the steps below on how to request for login ID and password.

Step 1 – Register Online with Boardroom Smart Investor Online Portal (for first-time registration only)

[Note: If you have already signed up with Boardroom Smart Investor Online Portal, you are not required to register again. You may proceed to Step 2. Submit a request for Remote Participation user ID and password.]

(a) Access website https://boardroomlimited.my.

(b) Click **<<Login>>** and click **<<Register>>** to sign up as a user.

(c) Complete registration and upload softcopy of MyKAD (front and back) or Passport in JPEG, PDF or PNG format.

(d) Please enter a valid email address and wait for Boardroom's email verification.

(e) Your registration will be verified and approved within one (1) business day and an email notification will be provided.

Step 2 – Submit Request for Remote Participation User ID and Password

[Note: The registration for remote access will be opened on 24 June 2021.

Individual Members

- Login to https://boardroomlimited.my using your user ID and password above.
- Select "**VIRTUAL MEETING**" from the main menu and select the correct Corporate Event "**BRAHIM'S HOLDINGS BERHAD VIRTUAL ANNUAL GENERAL MEETING**".
- Read and agree to the terms & conditions.
- Enter your CDS Account and thereafter submit your request.

Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee

- Write to bsr.helpdesk@boardroomlimited.com by providing the name of Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy to submit the request.
- Please provide a copy of the Corporate Representative's MyKad (Front and Back) or Passport in JPEG, PDF or PNG format as well as his/her email address.

(a) You will receive a notification from the Boardroom that your request has been received and is being verified.
(b) Upon system verification against the **General Meeting Record of Depositors as at 23 June 2021** you will receive an email from Boardroom either approving or rejecting your registration for remote participation.
(c) You will also receive your remote access user ID and password along with the email from Boardroom if your registration is approved.
(d) Please note that the closing time to submit your request is by **28 June 2021, at 3.00 p.m.** (48 hours before the AGM).

Step 3 – Login to Virtual Meeting Portal

[Please note that the quality of the connectivity to Virtual Meeting Portal for live webcast as well as for remote online voting is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users.]

(a) The Virtual Meeting Portal will be open for login starting one (1) hour before the commencement of the AGM at **2.00 p.m. on 30 June 2021**.
(b) Follow the steps given to you in the email along with your remote access user ID and password to login to the Virtual Meeting portal. (Refer to Step 2(c) above).
(c) The steps will also guide you on how to view the live webcast, ask questions and vote.
(d) The live webcast will end and the Messaging window will be disabled upon announcement by the Chairman on the closure of the virtual AGM.

Live Webcast, Question and Voting at the Virtual AGM

The Login User Guide for participation, posing questions and voting at the AGM, will be emailed to you together with your remote access user ID and password once your registration has been approved.

The Chairman and the Board of Directors will endeavour their best to respond to the questions submitted by shareholders which are related to the resolution to be tabled at the AGM.

[Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition. All questions and messages will be presented with the full name and identity of the participant raising the question.]

(i) If you would like to view the live webcast, select the broadcast icon.

(ii) If you would like to ask a question during the AGM, select the messaging icon.

(iii) Type your message within the chatbox, once completed click the send button.

Shareholders may proceed to cast votes on the proposed resolution to be tabled at the AGM, after the Chairman has opened the poll voting session on the resolution. Shareholders are reminded to cast their votes before the poll is closed.

No recording or photography of the virtual AGM proceedings is allowed without the prior written permission of the Company.

No Door Gift/ Vouchers or Souvenirs

There will be NO Door Gift/ Vouchers or any souvenirs for shareholders/ proxies/ corporate representatives who participate at the virtual AGM.

Enquiry

Please email to the Company's Poll Administrator, Boardroom Share Registrars Sdn. Bhd. at **bsr.helpdesk@boardroomlimited.com** **or** **call the helpdesk number at 03-7890 4700** if you have queries pertaining to the RPEV, prior to the virtual AGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

BRAHIM'S HOLDINGS BERHAD
[Registration No. 198201002985 (82731-A)]
(Incorporated in Malaysia)

FORM OF PROXY

No. of Shares Held	CDS Account No.

*I/We .... ***NRIC No./Passport No./Registration No.:**………………….
of ....
being a Member(s) of **BRAHIM'S HOLDINGS BERHAD** [Registration No. 198201002985 (82731-A)], hereby appoint……………………..…………………………………*__NRIC No./Passport No.__ …………………………………
of………………………………………………...
Email address ……………………………………………..……………………………………………….. and/or
…..……………………………………………………………… ***NRIC No./Passport No.** …………………………………
of……
Email address …………………………………………………….or failing him/her, THE CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the 39th Annual General Meeting of the Company to be held as a fully virtual meeting via live streaming from the Broadcast Venue at Brahim's Holdings Berhad, 7-05, 7th Floor, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia on Wednesday, 30 June 2021 at 3:00 p.m. or at any adjournment thereof and to vote as indicated below:-

Resolutions			For	Against
1.	To approve the payment of Directors' Fees	Ordinary Resolution 1		
2.	To approve the payment of Directors' Remuneration (excluding Directors' Fee)	Ordinary Resolution 2		
3.	To re-elect Professor Dr. Jinap Binti Salamet as Director.	Ordinary Resolution 3		
4.	To re-elect Tay Beng Seng, Benson as Director.	Ordinary Resolution 4		
5.	To re-elect Mejar Dato' Ismail Bin Ahmad as Director.	Ordinary Resolution 5		
6.	To re-appoint Messrs. Baker Tilly Monteiro Heng PLT (AF 0117) as Auditors.	Ordinary Resolution 6		
7.	Authority to issue shares pursuant to the Companies Act 2016.	Ordinary Resolution 7		

Mark either box if you wish to direct the proxy how to vote. If no mark is made, the proxy may vote on the resolution or abstain from voting as the proxy thinks fit.

The proportions of our shareholding to be represented by the proxies appointed by the authorised nominee (if appoint more than 1 proxy) are as follows:-

First proxy	%
Second proxy	%
	100%

* *Delete if not applicable.*

Dated this....…...... day of ……….…............ , 2021

…………..………………………….........……
Signature/ Common Seal of Shareholder

Notes:

(1) *Please refer to the Administrative Guide for the procedures to register and participate in the virtual meeting.*

(2) *The Broadcast Venue, which is the main venue of the 39th Annual General Meeting ("AGM") is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the AGM is to inform shareholders where the electronic AGM production and streaming would be conducted from. NO SHAREHOLDER(S)/PROXY(IES) from the public will be allowed to be physically present at the Broadcast Venue.*

(3) *A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*

(4) *A member may appoint not more than two (2) proxies to attend the same meeting. However, where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an authorised nominee appoints 2 or more proxies, the appointment shall not be valid unless the member specifies the proportion of its shareholding to be represented by each proxy.*

(5) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

(6) *The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*

(7) *The instrument appointing a proxy and the power of attorney or other attorney, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200, Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding of the meeting or adjourned meeting.*

(8) *The Date of Record of Depositors for the purpose of determining members' entitlement to attend, vote and speak at the meeting is Wednesday, 23 June 2021.*

Please fold here

PLEASE
AFFIX
STAMP

The Share Registrar
Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

Please fold here

Brahim's Holdings Berhad 198201002985 (82731-A)

Corporate Office
7-05, 7th Floor, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia.

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