

Brahim's Holdings Berhad

(Company No. 198201002985 [82731-A])
(Incorporated in Malaysia)

Interim Financial Report 31 March 2021

Brahim's Holdings Berhad

(Company No. 198201002985 [82731-A])

(Incorporated in Malaysia)

Unaudited Condensed Consolidated Statement Of Comprehensive Income For The Quarter Ended 31 March 2021

	Individual Quarter			Cumulative Quarters		
	3 months ended 31-Mar		Changes %	3 months ended 31-Mar		Changes %
2021 RM'000	2020 RM'000	2021 RM'000		2020 RM'000		
Continuing Operations						
Revenue	7,148	57,984	-87.67%	7,148	57,984	-87.67%
Cost of Sales	(3,457)	(25,500)		(3,457)	(25,500)	
Gross Profit	3,691	32,484		3,691	32,484	
Other income	21	205		21	205	
Administrative expenses	(18,123)	(40,034)		(18,123)	(40,034)	
Other expenses	(617)	(2,071)		(617)	(2,071)	
(Loss)/Profit from operation	(15,028)	(9,416)	-59.60%	(15,028)	(9,416)	-59.60%
Finance costs	(1,201)	(1,567)		(1,201)	(1,567)	
Share of results of jointly controlled entities	-	-		-	-	
(Loss) before taxation	(16,229)	(10,983)	-47.76%	(16,229)	(10,983)	-47.76%
Income tax expense	-	(70)		-	(70)	
Zakat	-	-		-	-	
(Loss) after taxation	(16,229)	(11,053)	-46.83%	(16,229)	(11,053)	-46.83%
(Loss)/Profit attributable to:						
- Owners of the Company	(6,922)	(11,463)	39.61%	(6,922)	(11,463)	39.61%
- Non Controlling Interests	(9,307)	410	-2370%	(9,307)	410	-2370%
	(16,229)	(11,053)	-46.83%	(16,229)	(11,053)	-46.83%
Total comprehensive (loss)/income attributable to:-						
- Owners of the Company	(6,922)	(11,463)		(6,922)	(11,463)	
- Non Controlling Interest	(9,307)	410		(9,307)	410	
	(16,229)	(11,053)		(16,229)	(11,053)	
Loss per share (RM) attributable to the owners of the Company						
Basic	(2.58)	(4.27)		(2.58)	(4.27)	
Diluted	N/A	N/A		N/A	N/A	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020.

Brahim's Holdings Berhad

(Company No. 198201002985 [82731-A])

(Incorporated in Malaysia)

Condensed Consolidated Statement Of Financial Position As At 31 March 2021

	As At 31.03.2021 RM'000 (Unaudited)	As At 31.12.2020 RM'000 (Audited)
ASSETS		
Non Current Assets		
Property, plant and equipment	37,334	37,620
Intangible assets	-	-
Goodwill on consolidation	84	84
Deferred tax assets	-	-
	<u>37,418</u>	<u>37,704</u>
Current Assets		
Inventories	3,010	3,304
Trade receivables	6,779	8,519
Other receivables, deposits and prepayments	2,359	3,063
Tax recoverable	887	857
Amount owing by related parties	20	20
Fixed deposits with a licensed bank	4,748	8,117
Cash and bank balances	3,954	3,319
	<u>21,757</u>	<u>27,199</u>
TOTAL ASSETS	<u>59,175</u>	<u>64,903</u>
EQUITY & LIABILITIES		
Equity attributable to equity holders		
Share capital	268,266	268,266
Accumulated losses	(361,832)	(354,910)
Shareholders' Equity	<u>(93,566)</u>	<u>(86,644)</u>
Non Controlling Interest	(49,725)	(40,418)
(Capital Deficiency)/ Total Equity	<u>(143,291)</u>	<u>(127,062)</u>
Non-Current Liabilities		
Other payables	2,050	2,050
Deferred tax liabilities	9,623	9,601
Loans and borrowings	2,123	2,972
	<u>13,796</u>	<u>14,623</u>
Current Liabilities		
Trade payables	43,959	40,787
Other payables and accruals	40,935	37,202
Loans and borrowings	84,150	81,154
Amount owing to related parties	5,192	3,793
Provisions	6,900	6,900
Advances from a Director	6,917	6,889
Provision for taxation	55	55
Provision for zakat	562	562
	<u>188,670</u>	<u>177,342</u>
Total Liabilities	<u>202,466</u>	<u>191,965</u>
TOTAL EQUITY AND LIABILITIES	<u>59,175</u>	<u>64,903</u>
Net assets per share attributed to ordinary equity holders of the Company (RM)	(0.35)	(0.32)

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020.

Brahim's Holdings Berhad

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Unaudited Condensed Consolidated Statement Of Changes In Equity For The Year Ended 31 March 2021

	Share Capital RM'000	Accumulated losses RM'000	Total RM'000	Non-Controlling Interest RM'000	Total RM'000
At 1 January 2021	268,266	(354,910)	(86,644)	(40,418)	(127,062)
Total comprehensive loss	-	(6,922)	(6,922)	(9,307)	(16,229)
At 31 March 2021	268,266	(361,832)	(93,566)	(49,725)	(143,291)
At 1 January 2020	268,266	(247,881)	20,385	90,830	111,215
Total comprehensive loss	-	(107,029)	(107,029)	(131,248)	(238,277)
At 31 December 2020	268,266	(354,910)	(86,644)	(40,418)	(127,062)

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020.

Brahim's Holdings Berhad

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Unaudited Condensed Consolidated Statement Of Cash Flows For The Financial Year Ended 31 March 2021

	3 months ended	
	As at 31.03.2021 (Unaudited) RM'000	As at 31.03.2020 (Unaudited) RM'000
Operating activities		
Profit/(Loss) before tax	(16,229)	(10,983)
Adjustment for:-		
Amortisation and depreciation	1,956	1,997
Interest expense	1,086	332
Interest income	(6)	(102)
Operating profit before working capital changes	(13,193)	(8,756)
(Increase)/Decrease in inventories	294	734
(Increase)/Decrease in receivables	2,444	7,131
Increase/(Decrease) in intercompany balances	28	(3)
Increase/(Decrease) in payables	8,304	(5,476)
Cash generated from/(used in) operations	(2,123)	(6,370)
Interest paid	-	(332)
Tax refund/(paid)	(30)	2,081
Net cash generated from/(used in) operating activities	(2,153)	(4,621)
Investing activities		
Interest income	6	102
Withdrawal/(Placement) of deposits pledged with licensed bank	88	31
Purchase of plant and equipment	(6)	(788)
Net cash generated from/ (used in) investing activities	88	(655)
Financing activities		
Repayment of term loans	-	(3,500)
Repayment of lease and hire-purchase	(581)	(2,255)
Net cash (used to)/generated from financing activities	(581)	(5,755)
Net decrease in cash and cash equivalents	(2,646)	(11,031)
Cash and cash equivalents at the beginning of financial year	8,358	42,845
Cash and cash equivalents at the end of financial period	5,712	31,814
Cash, bank balances and fixed deposits with licensed banks	8,702	33,663
Bank overdrafts	-	-
Deposits pledged to licensed banks	(2,990)	(1,849)
	5,712	31,814

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Notes To The Interim Financial Report

A Explanatory Notes Pursuant to MFRS134

1. Basis of preparation

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

The condensed consolidated interim financial information should be read in conjunction with the annual financial report for the year ended 31 December 2020. These explanatory notes attached to the financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

2. Changes in Accounting Policies

The accounting policies and methods of computation adopted for the condensed interim financial information are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2020 except for the changes arising from the adoption of the amendments to the following with effect from 1 January 2021:

a) Amendments to published standards that are effective and applicable to the Group beginning on 1 January 2021

Amendments to MFRS 7	Financial Instruments: Disclosures	Interest Rate
Amendments to MFRS 9	Financial Instruments	Benchmark
Amendments to MFRS 16	Leases	Reform (Phase 2)
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement	

The adoption of the above applicable amendments to published standards does not have any material impact to the financial results of the Group for the current period and prior periods.

b) Early adoption of the amendments to published standards by the Group beginning on 1 January 2021

Amendment to MFRS 16: Covid-19 Related Rent Concessions beyond 30 June 2021

The Group has elected to early adopt the amendment above, with the date of initial application on 1 January 2021. This amendment had no impact to the retained earnings on 1 January 2021, and had no material impact to the financial results for the current period.

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Notes To The Interim Financial Report

2. Changes in Accounting Policies (continued)

c) Amendments to published standards that have been issued but not yet effective and have yet to be adopted

The amendments to published standards that have been issued but not yet effective and have not been adopted early by the Group are as follows:

Effective date 1 January 2022

Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 9	Annual Improvements to MFRS Standards 2018 - 2020

Effective date 1 January 2023

Amendments to MFRS 101	i) Classification of Liabilities as Current or Non-current ii) Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates

The adoption of the above annual improvements and amendments to published standards are not expected to have a material impact on the financial statements of the Group.

3. Auditors' Report

There was disclaimer of opinion on the audited financial statements for the financial year ended 31 December 2020.

4. Seasonal or cyclical factors

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

5. Unusual items

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

6. Changes in estimates

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

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Notes To The Interim Financial Report

7. Segmental reporting

	Individual Quarter			Cumulative Quarters		
	3 months ended			3 months ended		
	31 March			31 March		
	2021	2020	Changes	2021	2020	Changes
	RM '000	RM '000		RM '000	RM '000	
	(Unaudited)	(Unaudited)	%	(Unaudited)	(Unaudited)	%
Segment Revenue						
Revenue from continuing operations:						
In-flight catering & related services	5,676	55,995	-90%	5,676	55,995	-90%
Logistics and related services	1,468	1,989	-26%	1,468	1,989	-26%
Holding Company	4	-	0%	4	-	0%
Total revenue including inter-segment revenue	<u>7,148</u>	<u>57,984</u>	-88%	<u>7,148</u>	<u>57,984</u>	-88%
Segment results						
Results from continuing operations:						
In-flight catering & related services	(14,356)	(9,142)	-57%	(14,356)	(9,142)	
Logistics and related services	(168)	290	-158%	(168)	290	
Trading	(6)	(8)	25%	(6)	(8)	
Food and beverage	(2)	(8)	75%	(2)	(8)	
Sugar refinery	(25)	(3)	-733%	(25)	(3)	
Holding Company	<u>(471)</u>	<u>(545)</u>	14%	<u>(471)</u>	<u>(545)</u>	
Operating (loss)/profits from continuing operations	(15,028)	(9,416)	-60%	(15,028)	(9,416)	-60%
Finance costs	(1,201)	(1,567)		(1,201)	(1,567)	
Share of results from Joint Venture	-	-		-	-	
(Loss)/Profit before taxation	<u>(16,229)</u>	<u>(10,983)</u>	-48%	<u>(16,229)</u>	<u>(10,983)</u>	-48%
Income tax (expense)/credit	-	(70)		-	(70)	
Zakat	-	-		-	-	
(Loss)/Profit after taxation	<u>(16,229)</u>	<u>(11,053)</u>	-47%	<u>(16,229)</u>	<u>(11,053)</u>	-47%

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Notes To The Interim Financial Report

8. Debt and equity securities

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

9. Dividends paid

No dividend was paid during the current quarter ended 31 March 2021.

10. Valuation of Property, Plant and Equipment

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

11. Material Events Subsequent to the End of Interim Period

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

12. Changes in composition of the Group

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

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Notes To The Interim Financial Report

13. Changes in Contingent Liabilities or Contingent Assets

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

14. Capital Commitments

	31.03.2021 RM'000	31.03.2020 RM'000
Approved and contracted for :-		
Property, plant and equipment	280	168
Computer software	-	234
	<hr/>	<hr/>

15. Related Company Transactions

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

	Individual Quarter 3 months ended 31 March		Cumulative Quarters 3 months ended 31 March	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Management fees received/ receivable from a joint venture	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

16. Derivative

The company did not issue or enter and capitalise any gain or losses with regards to derivative issued or subscribed.

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Interim Financial Report 31 March 2021

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

**Additional information required
by the Bursa Malaysia's Listing Requirements**

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

1. Performance Analysis

In the first quarter of 2021, the Group recorded a 87.67% decrease in revenue to RM7.15 million compared with the corresponding period in 2020 of RM57.98 million.

The Group recorded a pre-tax loss of RM16.23 million in the current quarter as compared to a pre-tax loss of RM10.98 million in the corresponding quarter of the previous year.

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

In-flight catering and related services

Due to pandemic crisis of Covid-19, the performance of in-flight catering and related revenue in the services show decreasing trend when compared to the revenue in the corresponding year. Revenue for the current quarter decreased by RM50.319 million or 90%, closing at RM5.676 million compared with a revenue of RM55.995 million in the same quarter last year.

This segment recorded operating losses of RM14.356 million as compared to a loss of RM9.142 million for the same quarter last year, a decrease by 57%.

Logistics and related services

Current quarter's revenue contributed by the logistics and related services segment has been affected by the Covid-19 pandemic. It registered a decrease in revenue of 26%, or RM0.521 million lower to RM1.468 million as compared to RM1.989 million in the corresponding quarter last year. The warehouse occupancy rate has slightly decreased. Nevertheless, management realise the potential for this business to grow even further.

Segmental results for the quarter was a loss of RM0.168 million, a decrease by 158% compared with the corresponding quarter in last year of a profit of RM0.290 million.

**Additional information required
by the Bursa Malaysia's Listing Requirements**

2. Comparison with immediate preceding quarter's result

Compared to the immediate preceding quarter's results, the Group's revenue reported a decrease from RM7.86 million to RM7.15 million, a decrease of RM0.71 million or 9.0%.

The Group recorded a loss before tax of RM16.23 million for this quarter as compared to a loss before tax of RM131.74 million in the immediate preceding quarter.

3. Current year prospects

In-Flight Catering and related services

The Corona Virus or Covid-19 which hit the world in early February 2020 have changed the landscape of the market entirely especially aviation and hospitality industries.

In-Flight catering division is expected to record a loss in Quarter 2 2021 as due to this Covid-19 implication. Most of the airlines had cancelled their flights with the Government instruction for Movement Control Order started in mid-March 2020.

It is expected for the aviation and hospitality industries to be able to recover in Quarter 2 2022 or even by late Quarter 3 2022.

Logistics and related services

The logistics segment continues to maintain its business volume and contribute positively to the group's financial position. This segment looking into expanding business models and expanding its operations, to streamline the cost structure become positive. This segment will continue the effort to acquire new customers and businesses to increase the revenue stream.

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

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

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Appendix II

Additional information required by the Bursa Malaysia's Listing Requirements

5. Taxation

	Individual Quarter 3 months ended 31 March		Cumulative Quarters 3 months ended 31 March	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current tax:				
-for the financial period/year	-	(43)	-	(43)
Deferred taxation	-	(27)	-	(27)
	<u>-</u>	<u>(70)</u>	<u>-</u>	<u>(70)</u>

The Group's effective tax rate is lower than statutory tax rate due to certain expenses being disallowed for tax purposes and deferred tax assets recognised for some entities within the Group.

6. Status of corporate proposal

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

7. Borrowings

	31.03.2021 RM'000	31.12.2020 RM'000
a) Short term borrowings		
Secured		
- Term loans	80,483	79,397
- Hire purchase and lease payables	<u>3,667</u>	<u>1,757</u>
	<u>84,150</u>	<u>81,154</u>
b) Long term borrowings		
Secured		
- Term loans	-	-
- Hire purchase and lease payables	<u>2,123</u>	<u>2,972</u>
	<u>2,123</u>	<u>2,972</u>
	<u>86,273</u>	<u>84,126</u>
The above borrowings are denominated in the following currencies:-		
- Ringgit Malaysia	82,619	80,472
- United States Dollar	<u>3,654</u>	<u>3,654</u>
	<u>86,273</u>	<u>84,126</u>

**Additional information required
by the Bursa Malaysia's Listing Requirements**

8. Changes in material litigation

No new update since last reporting date.

9. Dividend

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

10. Earning/(Loss) per share

		Individual Quarter		Cumulative Quarters	
		3 months ended		3 months ended	
		31.03.21	31.03.20	31.03.21	31.03.20
Basic earning/(loss) per share					
Earning/(Loss) attributable to owners of the company	(RM'000)	(6,922)	(11,463)	(6,922)	(11,463)
Weighted average number of ordinary shares in issue	('000)	268,266	268,266	268,266	268,266
Basic (loss) per share	(Sen)	(2.58)	(4.27)	(2.58)	(4.27)

The calculation of basic (loss) per share for the respective periods is arrived at by dividing the earning/(loss) attributable owners of the Company by the weighted average number of ordinary shares issued during the financial period/year.

There is no disclosure on diluted loss per share as there were no potential ordinary shares outstanding at the end of the reporting period/year.

11. Authorisation for Issue

The interim financial information was duly approved by the Board of Directors on 31 May 2021.