



Brahim's Holdings Berhad

198201002985 (82731-A) (Incorporated in Malaysia)

We Deliver Halal  
Cuisine of the World

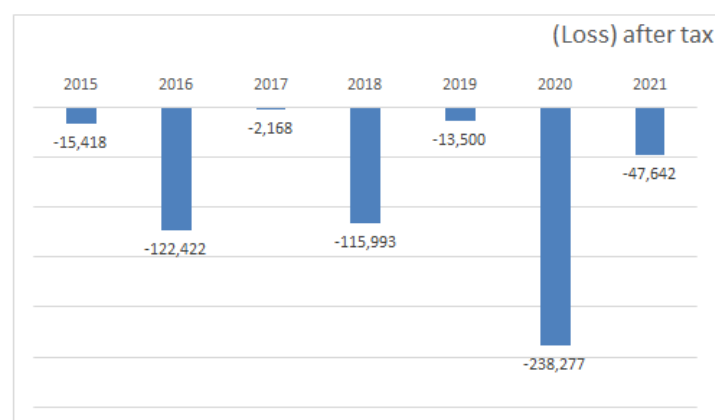
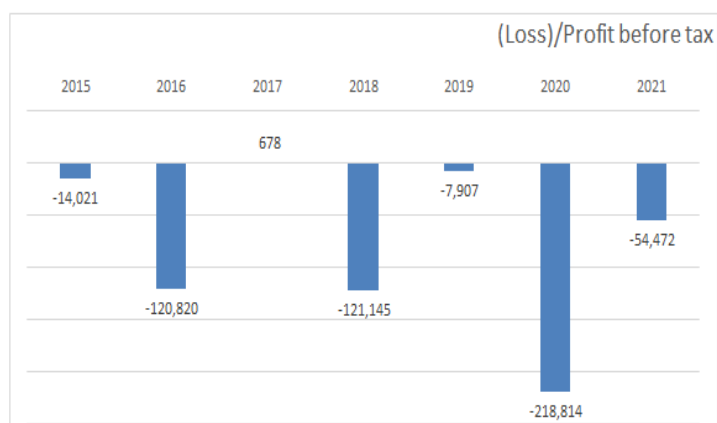
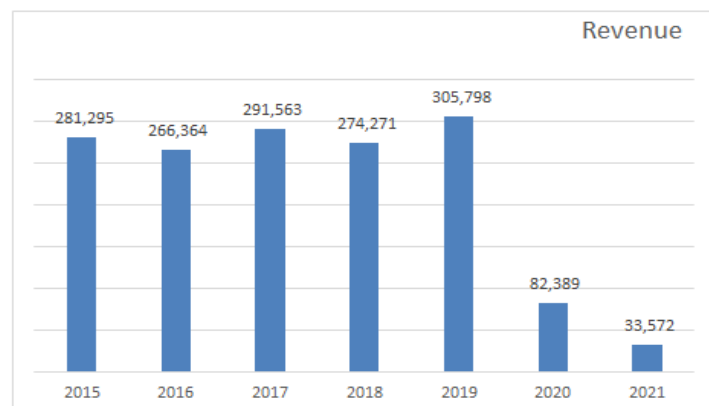
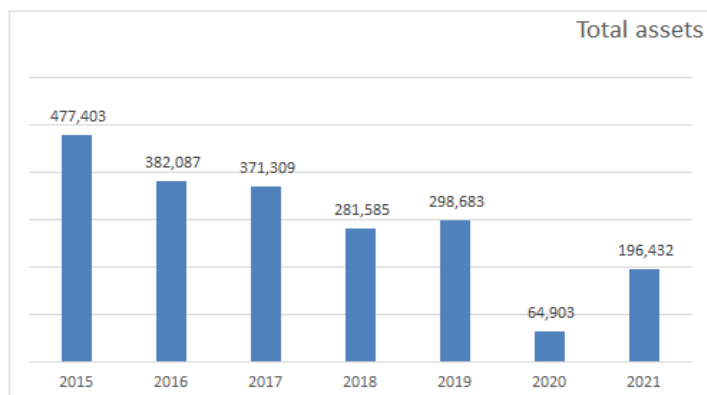
Annual Report  
**2021**

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## Financial Highlights 2021

	2015	2016	2017	2018	2019	2020	2021
Statement of Comprehensive Income (RM'000)							
Revenue	281,295	266,364	291,563	274,271	305,798	82,389	33,572
(Loss)/Profit before tax	- 14,021	- 120,820	678	- 121,145	- 7,907	- 218,814	- 54,472
(Loss) after tax	- 15,418	- 122,422	2,168	- 115,993	- 13,500	- 238,277	- 47,642
(Loss) attributable to the equity holder of the company	- 15,680	- 74,957	6,937	- 61,581	- 15,353	- 107,029	- 11,275
LPS (Sen)	- 6.64	- 31.72	2.94	- 26.06	- 6.50	- 45.30	- 3.67
Statement of Financial Position (RM'000)							
Issued and paid-up capital (unit)	236,286	236,286	236,286	236,286	236,286	236,286	307,171
Capital Deficiency	- 257,944	- 245,522	- 243,354	- 124,715	- 111,215	- 127,062	- 163,363
Total assets	477,403	382,087	371,309	281,585	298,683	64,903	196,432



## **Stock Information As at 24 March 2022**

### **Stock Summary**

Stock Name : BRAHIMS  
Stock Code : 9474  
Issued Share Capital : 307,171,100 ordinary shares  
Class of Shares : Ordinary shares  
Voting Rights : One (1) vote for ordinary share  
Number of shareholders : 4,760

### **Analysis by size of Shareholdings**

<b>Size of holdings</b>	<b>No. of Shareholders</b>	<b>% of Shareholders</b>	<b>No. of Shares Held</b>	<b>% of Shareholdings</b>
1 - 99	158	3.32	5,257	0.00
100 – 1,000	991	20.82	720,850	0.24
1,001 – 10,000	2,057	43.21	10,473,793	3.41
10,001 – 100,000	1,292	27.14	46,779,550	15.23
100,001 – 15,358,555 *	256	5.38	89,664,900	29.19
15,358,555 and above **	6	0.13	159,526,750	51.93
<b>TOTAL</b>	<b>4,760</b>	<b>100.0</b>	<b>307,171,100</b>	<b>100.00</b>

\* Less than 5% of issued shares capital

\*\* 5% and above of issued shares capital

## **Corporate Information**

<p><b>Board of Directors</b> Dato' Seri Ibrahim bin Haji Ahmad Executive Chairman</p> <p>Professor Dr Jinap binti Salamet Non-Independent Non-Executive Director</p> <p>Mejar Dato' Ismail Bin Ahmad Independent Non-Executive Director</p> <p>Mohamed Zamry Bin Mohamed Hashim Independent Non-Executive Director (Appointed on 1 September 2021)</p> <p>Yee Yit Yang Independent Non-Executive Director (Appointed on 27 December 2021)</p> <p>Ahmad Fahimi bin Ibrahim Alternate Director to Dato' Seri Ibrahim bin Haji Ahmad</p> <p><b>Audit Committee</b> Mohamed Zamry Bin Mohamed Hashim (Chairman) Mejar Dato' Ismail Bin Ahmad Yee Yit Yang</p> <p><b>Executive Committee</b> Dato' Seri Ibrahim bin Haji Ahmad (Chairman) Mohamed Zamry Bin Mohamed Hashim Professor Dr Jinap binti Salamet</p>	<p><b>Nomination Committee</b> Mohamed Zamry Bin Mohamed Hashim Chairman Mejar Dato' Ismail Bin Ahmad Yee Yit Yang</p> <p><b>Remuneration Committee</b> Yee Yit Yang Chairman Professor Dr Jinap binti Salamet Mohamed Zamry Bin Mohamed Hashim</p> <p><b>Company Secretaries</b> Teo Mee Hui (SSM PC No. 202008001081) (MAICSA 7050642) Tan Bee Hwa (SSM PC No. 202008002112) (MAICSA 7058049)</p> <p><b>Registered Office</b> 10th Floor, Menara Hap Seng No. 1 &amp; 3, Jalan P. Ramlee 50250 Kuala Lumpur Tel: 03-2382 4288 Fax: 03-2382 4170</p> <p><b>Business/ Corporate Office</b> 7-05, 7th Floor, Menara Hap Seng Jalan P. Ramlee 50250 Kuala Lumpur Tel: 03-2072 0730 Fax: 03-2072 0732</p>	<p><b>Auditors</b> Baker Tilly Monteiro Heng PLT 201906000600 (LLP0019411-LCA) &amp; AF 0117 Level 10, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur Tel: 03-2297 1000 Fax: 03-2282 9980</p> <p><b>Principal Bankers</b> OCBC Al-Amin Bank Berhad IBH Investment Bank Limited</p> <p><b>Stock Exchange Listing</b> Main Market, Bursa Malaysia Securities Berhad ("BMSB") Stock Name: BRAHIMS Stock Code: 9474 Sector: Trading/Service</p> <p><b>Share Registrar</b> 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</p> <p><b>Solicitor</b> Jeffrey Wong &amp; Partners Unit 47-4, Wisma Ghee Hong No. 83, Jalan Ampang 50450 Kuala Lumpur Tel: 03-2072 3630 Fax: 03-2072 7036</p>
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## **Directors' Profile & Key Senior Management's Profile**

**Dato' Seri Ibrahim bin Haji Ahmad**

**Executive Chairman**

**Non-Independent Non-Executive Director**

**Nationality/Age Malaysian/68**

**Gender Male**

**Date of Appointment 9 July 2008**

**Length of Service (as at 29 April 2022) 13 years 9 months**

### **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 agrobased 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 Ibrahim's Holdings Berhad
- Founder and Executive Chairman of Dewina Holdings Sdn Bhd
- Chairman of Ibrahim'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

**Dato' Choo Kah Hoe**

**Non-Independent Non-Executive Director**

**Nationality/Age** Malaysian/68

**Gender** Male

**Date of Appointment** 9 July 2008

**Date of Resignation** 15 October 2021

**Length of Service (as at 15 October 2021)** 13 years 3 months

**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

**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
- Industry Advisor for Universiti Malaysia Sarawak (UNIMAS), and Curtin University Sarawak Campus
- Tutor for Wawasan Open University and University of Wollongong, Sydney Business School MBA Programme in the subject of Corporate Finance, International Financial Management and International Business Strategy
- Member of the Company's Audit Committee
- Member of the Nomination Committee and Chairman of the Remuneration Committee
- President, Malaysia-Vietnam Chamber of Commerce

**Past Directorship(s) and/or Appointment(s)**

- Managing Director & Country Head, DBS Bank Labuan
- Executive Director, DBS Thai Danu Bank, Thailand
- Chairman, Executive Decision Panel for Nationwide Debt Restructuring, Bank of Thailand
- Vice-Chairman, Singapore-Thai Chamber of Commerce
- Chief Representative, DBS Bank Yangon Office
- Advisor to the Chonburi Chamber of Commerce, University Malaysia Sabah, Labuan International Campus, Young Entrepreneurs Association Malaysia (PUMM)

**Professor Dr Jinap binti Salamet**

**Independent Non-Executive Director**

**Nationality/Age** Malaysian/66

**Gender** Female

**Date of Appointment** 26 June 2014

**Length of Service (as at 29 April 2022)** 7 years 10 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

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

- Board Member of Food Analysis Committee Malaysia
- Chairman, Vetting Committee for Malaysian Food Analyst Application
- Member of Industry Standard Committee for Food, Food Products and Food Safety (ISC-U)
- Chairman and member of technical advisory committee of Malaysian Standards through SIRIM.
- Chairperson, Advisory Committee on Honey Malaysian Standard. *Ministry of International Trade and Industry (MITI).*
- Evaluation Panel of Research Proposal for Long Term Grant Scheme and Transactional Grant Scheme, Ministry of Higher Education (MOHE)
- Member of National expert committees on Food Regulation, Food Contaminants, Food Additives, and Processed Food through the Ministry of Health
- Member of National Codex Committee of Food Additives, and Food Contaminants
- Member of ASEAN Risk Assessment Committee (ARAC)
- Committee Fellow of Academy of Science of Malaysia (FASc)
- Editor-In-Chief of the International Food Research Journal 2002-2019
- International Editorial Board for Food Additives and Contaminants
- Member of Food Industry Training Centre (FITC)
- Member of the Vetting Committee for Biological, Agricultural And environment Sciences Discipline Group, 2017
- Chairperson, Panel Penasihat Standard Malaysia:
  - a) Spices and condiment, b) Sugar and confectionary
- Member, ISC, Standard Malaysia, 2017
- Panel, ASEAN Risk Assessment, 2017 - 2018



**KAMIL BIN DATO' HAJI ABDUL RAHMAN**

**Independent Non-Executive Director**

**Nationality/Age** Malaysian/73

**Gender** Male

**Date of Appointment** 25 February 2016

**Date of Demised** 2 June 2021

**Length of Service (as at 2 June 2021)** 5 years 3 months

**Academic/Professional Qualifications**

- 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

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

- Independent Non-Executive Chairman 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/38

**Gender** Male

**Date of Appointment** 22 October 2020

**Date of Resignation** 27 December 2021

**Length of Service (as at 27 December 2021)** 1 Year 2 Months

**Academic/Professional Qualifications**

- Bachelor of Commerce Degree with a double major in Marketing and Management

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

- Executive Director of Focus Dynamics Group Berhad

**Mejar Dato' Ismail Bin Ahmad**

**Independent Non-Executive Director**

**Nationality/Age** Malaysian/73

**Gender** Male

**Date of Appointment** 9 November 2020

**Length of Service (as at 29 April 2022)** 1 Year 6 Months

**Academic/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 Chief Executive Officer 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.

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

- Mlabs Systems Berhad - Non-Independent Non-Executive Director
- Pasukhas Group Berhad - Independent Non-Executive Director

**FYE 2021, the Director has participated in the following Continuing Education Programmes:**

- 18 November 2021 – Anti Money Laundering & Anti Bribery

**Ahmad Fahimi bin Ibrahim**

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

**Nationality/Age** Malaysian/38

**Gender** Male

**Date of Appointment** 1 February 2014

**Length of Service (as at 29 April 2022)** 8 years 3 months

Ahmad Fahimi bin Ibrahim was appointed as Alternate Director to Dato' Seri Ibrahim bin Haji Ahmad on 31 December 2015.

**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

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

He does not hold any directorships in any other public companies. He is currently the Group Executive Director of Dewina Holdings Sdn. Bhd.

**Mohamed Zamry Bin Mohamed Hashim**

**Independent Non-Executive Director**

**Nationality/Age** Malaysian/65

**Gender** Male

**Date of Appointment** 1 September 2021

**Length of Service (as at 29 April 2022)** 8 months

**Academic/Professional Qualifications**

- Professional Qualification Accounting, Finance & Insurance Associateship of the Malaysian Insurance Institute
- Professional Qualification Accounting, Finance & Insurance Associateship of the Chartered Institute of Insurance, UK
- Professional Qualification Accounting, Finance & Insurance Associateship of Institute Bank-Bank Malaysia
- Professional Qualification Accounting, Finance & Insurance Fellowship of Institute of Public Accountants, Australia
- Masters of Marketing from University of Newcastle, Australia
- Degree Bachelor of Arts (Hons) in Accounting from University of Bolton (Bolton Institute of Higher Education), UK
- Diploma Insurance from Malaysian Insurance Institute
- Diploma Banking and Financial Services Banking Diploma from the Institute of Bankers, UK (Part 1)
- Diploma Banking and Financial Services Institute Bank-Bank Malaysia

**Working Experience and occupation**

- Standard Chartered Bank from 1977 to 1994
- Guardian Royal Exchange Berhad from 1996 to 1998
- AIP Business Advisory Sdn. Bhd. from 1998 to 2000
- Victoria Integrated Industrial Park Australia from 1998 to 2000
- Spartec Holdings Sdn. Bhd. from 2000 to 2002
- Perbadanan Komputer Nasional Berhad from 2002 to 2003
- Animated Electronics Industries Sdn. Bhd. from 2003 to 2004
- TAP Capital Sdn. Bhd. in 2005

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

He does not hold any directorships in any other public companies.

**FYE 2021, the Director has participated in the following Continuing Education Programmes:**

- 6 December 2021 – Mandatory Accreditation Program for Directors of Public Listed Companies

**Yee Yit Yang**

**Independent Non-Executive Director**

**Nationality/Age** Malaysian/54

**Gender** Male

**Date of Appointment** 27 December 2021

**Length of Service (as at 29 April 2022)** 4 months

**Academic/Professional Qualifications**

- Professional Qualification – Accounting - CPA Australia
- Professional Qualification – Accounting - Malaysian Institute of Accountant (MIA)
- Degree Economics (Major: Accounting & Finance) Latrobe University Australia

**Working Experience and occupation**

Mr. Yee began his career with Deloitte Tohmatsu, an international accounting firm upon his graduation in Australia in 1990. After spending approximately 3 years with them, he joined the corporate finance division of Affin Investment Bank in which he was involved in various assignments, such as IPO, regional mergers and acquisitions as well as fund raising for both listed and non listed companies.

After approximately 7 years with Affin Investment Bank, he left to join a leading listed supermarket chain stores in Malaysia as Head of Corporate Planning. During his tenure with them, he was instrumental in raising the corporate profile by raising funds for the purpose of acquisition of related business.

In 2008, he left the Group to join another listed company, which is principally involved in property investment and health care business as Head of Corporate Finance. During his stay with them, he had completed a fund raising exercise for the purpose of consolidation the property investment division as well as acquisition of a renowned healthcare company based in USA. Currently, he is involved in a private corporate consultancy business.

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

- (1) Key Alliance Group Berhad - Independent and Non-Executive Director
- (2) AE Multi Holdings Berhad - Independent and Non-Executive Director
- (3) Joe Holding Berhad - Independent and Non-Executive Director

**FYE 2021, the Director has participated in the following Continuing Education Programmes:**

- 15 March 2021 – MIA Webinar Series: A Comprehensive Review of Latest Developments in MFRS, Malaysian Institute of Accountants, Virtual
- 14 April 2021 - Corporate One Training Academy Sdn Bhd, entitled Decoding Transactions and RPT Rules

**Mohd Fadhli Bin Abdul Rahman**

**Chief Financial Officer**

**Nationality/Age** Malaysian/39

**Gender** Male

**Date of Appointment** 8 November 2017

**Length of Service (as at 29 April 2022)** 4 years 6 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 Malaysia Institute of Accountant ("MIA").

He started his management career in biggest retail hypermarket in Malaysia at that time, GCH Retail (M) Sdn Bhd ("Giant") as accountant in 2006. In 2009, he temporarily departs from Giant to join one of Malaysia's biggest conglomerates, DRB Hicom Berhad for a short period of approximately 2 years. He returns 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 17 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 expose 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.

## **Management Discussion and Analysis**

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## 1.0 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 release from its PN17 status. On 28 February 2019, 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"),

*"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, BHB is currently on appeal stage for the extension of time from Bursa. On 25 February 2022, BHB has submitted another application of extension of time to Bursa but was rejected on 7 April 2022. BHB has submitted the appeal for reconsideration by Bursa on 14 April 2022. BHB is still waiting for Bursa deliberation to allow extension of time for regularization.

The Group is in its recovery phase and finalization of scheme with the potential white knight for the regularization 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.

## 2.0 Executive Overview

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 express 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 FY2021, the results of the Group were significantly increase as compared to FY2020. This was mainly due to the recovery of the aviation industries post Covid-19 pandemic implication. Although the Group only registered a consolidated turnover of RM33.57 million as compared to RM82.39 million for FY2020, the FY2020 performance are inflated by the first 2 months of the year which still in the pre pandemic period. More importance is the loss before tax which recorded at RM54.47 million instead of RM218.81 million for FY2020. The loss before tax position has improved significantly.

With the current circumstance of which the aviation industries starting to recover and the government start to loosen up some strict procedures on travelling, the Group enjoy the benefit of people starting to travel. This exciting development have shaded a light on the group performance and certainly will play pivotal role in convincing Bursa to accede to the Group appeal for the extension of time. Non-aviation businesses are here to stay as the momentum and our present in the market has started to expend and reach nationwide. Through collaboration with AEON group, our products are available in at least 72 of their outlets. On the warehousing business, due to increase in the warehousing demand, the performance has been on the upward trend.

The Group recorded a net loss per share of 3.67 sen for the year ended December 2021, compared with a net loss per share of 45.3 sen for the year ended December 2020. This improved result was also due to the implication of impairment losses of goodwill exercise amounting RM102.27 million back in FY2020. To date, the Group only carried a marginal Goodwill of RM84,000 in relation to the warehouse business.

Return on Shareholders' Equity (ROE) was -0.13 for 2021 as compared to -1.24 for 2020. Nevertheless, the share price drop by approximately 52.38% to RM0.10 as compared to the 2020 closing at RM0.21.

### 3.0 Business Operations Review

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

In 2021, 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. However, only a few were active throughout the whole year as due to Covid-19 pandemic.

For 2021 BSFS caters to an average of 125 aircraft per day and prepares an average of 11,000 inflight meals per day as compared to only about 70 aircraft and 5,000 inflight meals per day in 2020 from its halal inflight kitchen located at KLIA and Penang International Airport. Most menu are converted to suit with the “Covid” menu when the inflight services are not as per normal pre-covid services. The determination of menus still as per airline customer requirements.

The chefs at BSFS will work together with the airline’s chef for any improvement on suggested and proposed recipes and meals. All modification will also take into consideration the local raw ingredients and produce available. Due to covid-19, no physical food sampling and testing session is arranged in 2021. However, adopting to the new norm, online food presentation was done 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 2021, 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 recognized 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 450 staff operating from a 59,806 sq. metres complex in KLIA, BSFS is still the world’s largest halal recognized inflight kitchen and has won many international awards for quality and excellence.

## 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.

#### 4.0 Business Environment

The International Air Transport Association (IATA) expects overall traveler numbers to reach 4.0 billion in 2024 (counting multi-sector connecting trips as one passenger), exceeding pre-COVID-19 levels (103% of the 2019 total).

Expectations for the shape of the near-term recovery have shifted slightly, reflecting the evolution of government-imposed travel restrictions in some markets. The overall picture presented in the latest update to IATA's long-term forecast, however, is unchanged from what was expected in November, prior to the Omicron variant.

“The trajectory for the recovery in passenger numbers from COVID-19 was not changed by the Omicron variant. People want to travel. And when travel restrictions are lifted, they return to the skies. There is still a long way to go to reach a normal state of affairs, but the forecast for the evolution in passenger numbers gives good reason to be optimistic,” said Willie Walsh, IATA's Director General.

The February update to the long-term forecast includes the following highlights:

- In 2021, overall traveler numbers were 47% of 2019 levels. This is expected to improve to 83% in 2022, 94% in 2023, 103% in 2024 and 111% in 2025.
- In 2021, international traveler numbers were 27% of 2019 levels. This is expected to improve to 69% in 2022, 82% in 2023, 92% in 2024 and 101% in 2025.

This is a slightly more optimistic near-term international recovery scenario compared to November 2021, based on the progressive relaxation or elimination of travel restrictions in many markets. This has seen improvements in the major North Atlantic and intra-European markets, strengthening the baseline for recovery. Asia-Pacific is expected to continue to lag the recovery with the region's largest market, China, not showing any signs of relaxing its severe border measures in the near future.

- In 2021, domestic traveler numbers were 61% of 2019 levels. This is expected to improve to 93% in 2022, 103% in 2023, 111% in 2024 and 118% in 2025.

The outlook for the evolution of domestic traveler numbers is slightly more pessimistic than in November. While the US and Russian domestic markets have recovered, the same is not true for the other major domestic markets of China, Canada, Japan and Australia.

“The biggest and most immediate drivers of passenger numbers are the restrictions that governments place on travel. Fortunately, more governments have understood that travel restrictions have little to no long-term impact on the spread of a virus. And the economic and social hardship caused for very limited benefit is simply no longer acceptable in a growing number of markets. As a result, the progressive removal of restrictions is giving a much-needed boost to the prospects for travel,” said Walsh.

IATA reiterates its call for:

- The removal of all travel barriers (including quarantine and testing) for those fully vaccinated with a WHO-approved vaccine
- Pre-departure antigen testing to enable quarantine-free travel for non-vaccinated travelers
- Removing all travel bans, and
- Accelerating the easing of travel restrictions in recognition that travelers pose no greater risk for COVID-19 spread than already exists in the general population.

### **Regional Variations**

Not all markets or market sectors are recovering at the same pace.

“In general, we are moving in the right direction, but there are some concerns. Asia-Pacific is the laggard of the recovery. While Australia and New Zealand have announced measures to reconnect with the world, China is showing no signs of relaxing its zero-COVID strategy.

The resulting localized lock-downs in its domestic market are depressing global passenger numbers even as other major markets like the US are largely back to normal,” said Walsh.

**Asia-Pacific:** The slow removal of international travel restrictions, and the likelihood of renewed domestic restrictions during COVID outbreaks, mean that traffic to/from/within Asia Pacific will only reach 68% of 2019 levels in 2022, the weakest outcome of the main regions. 2019 levels should be recovered in 2025 (109%) due to a slow recovery on international traffic in the region.

**Europe:** In the next few years, the intra-Europe market is expected to benefit from passenger preferences for short-haul travel as confidence rebuilds. This will be facilitated by increasingly harmonized and restriction-free movement within the EU. Total passenger numbers to/from/within Europe are expected to reach 86% of 2019 values in 2022, before making a full recovery in 2024 (105%).

**North America:** After a resilient 2021, traffic to/from/within North America will continue to perform strongly in 2022 as the US domestic market returns to pre-crisis trends, and with ongoing improvements in international travel. In 2022, passenger numbers will

reach 94% of 2019 levels, and full recovery is expected in 2023 (102%), ahead of other regions.

Africa: Africa's passenger traffic prospects are somewhat weaker in the near-term, due to slow progress in vaccinating the population, and the impact of the crisis on developing economies. Passenger numbers to/from/within Africa will recover more gradually than in other regions, reaching 76% of 2019 levels in 2022, surpassing pre-crisis levels only in 2025 (101%).

Middle East: With limited short-haul markets, the Middle East focus on long-haul connectivity through its hubs is expected to result in slower recovery. Passenger numbers to/from/within the Middle East are expected to reach 81% of 2019 levels in 2022, 98% in 2024 and 105% in 2025.

Latin America: Traffic to/from/within Latin America has been relatively resilient during the pandemic and is forecast to see a strong 2022, with limited travel restrictions and dynamic passenger flows within the region and to/from North America. 2019 passenger numbers are forecast to be surpassed in 2023 for Central America (102%), followed by South America in 2024 (103%) and the Caribbean in 2025 (101%).

### **Russia-Ukraine Conflict**

The forecast does not calculate the impact of the Russia-Ukraine conflict. In general, air transport is resilient against shocks and this conflict is unlikely to impact the long-term growth of air transport. It is too early to estimate what the near-term consequences will be for aviation, but it is clear that there are downside risks, in particular in markets with exposure to the conflict.

Sensitivity factors will include the geographic extent, severity, and time-period for sanctions and/or airspace closures. These impacts would be felt most severely in Russia, Ukraine and neighboring areas. Pre-COVID-19, Russia was the 11th largest market for air transport services in terms of passenger numbers, including its large domestic market. Ukraine ranked 48.

The impact on airline costs as a result of fluctuations in energy prices or rerouting to avoid Russian airspace could have broader implications. Consumer confidence and economic activity are likely to be impacted even outside of Eastern Europe.

(Source – Extracts: International Air Transport Association (IATA), Air Passenger Numbers to recover in 2024, March 2022)

## **5.0 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.

## 6.0 Results of Operations

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

### Catering Services

The revenue for catering services segment for 2021 was RM26.944 million from RM74.941 million in 2020. The significant decrease in revenue was mainly due to inflated result in the first 2 months of 2020 which still in the pre pandemic period.

The outlook for this segment is anticipated to continue on the recovery phase until end of 2022 and perhaps mid of 2023 before it can reach the pre-covid numbers by 2024 as anticipated by IATA. Currently, about 67% of world population have at least received their first dose of vaccine. More than 50% of world population have completed both dose for Covid-19 vaccine. The variance of virus also has been revolved and people are accepting the virus to be among us moving forward. Travelling is still under control to certain part of the world but the other part has been totally open for travelers. Travelling landscape will continue to evolved and flying is still the best way to reach the rest of the world.

### 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.

## 7.0 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.

## 8.0 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.

## 9.0 Risks factors that may affect our business

Overall, with the current positive trend on the recovery from the unprecedented Covid-19 pandemic, the business starting to gain back the momentum and the result starting to show significant positive improvement.

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 the Group have experienced currently and it is also not impossible for new variance to hit the world again.

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.



## **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 commitment, 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 2021, BSFS employed 531 staff. The demographics are as follows:

Age Range	Male	Female
Above 50 years old	89	11
Below 30 years old	50	29
Between 31-40 years	64	18
Between 41-50 years	203	67
Grand Total	406	125

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 *Kementerian Kesihatan Malaysia* as to prevent the spread of virus covid-19. The employees must strictly follow SOP and cooperation from all employees to ensure all direction and procedure is being followed to safe environment during in workplace.

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.

In 2021, 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.

We also 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.

## **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 2021 is listed as follows:

### **Gotong Royong Perdana (9-11 Mac 2021)**

The company has organized a Gotong Royong Perdana aimed at creating healthy lifestyle practices in the workplace. In addition to strengthening the relationship between management and staff. This program can help improve and maintain the good nature in company. In other side, it can help improve social skills which is the employees can communicate both verbally and non-verbally.

### **Gerobok Kongsy Rezeki (23 April 2021)**

This program is an initiative of the Company to support employees who are financially affected during the pandemic of Covid-19. The donations given are the basic necessities etc. rice, flour and cooking oil. Company also encourages the employees for donation. As such, the program can also foster a culture of helping each other.

### **Program Iftar (4 Mei 2021)**

This program aims to help employees who are single mother, orphans, single father and disabled children. It can also help the employees to lighten their burden to spent the needed during Hari Raya Aidilfitri celebration. As such, the program can encourage the employees to help others and having a nature of empathy.

## **Corporate Governance Overview Statement**

The Board of Brahim's Holdings Berhad recognizes 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 2021. This Statement is to be read together with the CG Report 2021 of the Company which is available on the Company's website at [www.brahimsgroup.com](http://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 2021, the Board size of six (6) members comprises the Executive Chairman, three (3) Independent Non-Executive Directors, one (1) 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 2021, 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.

### **Code of Ethics**

The Company's Code of Ethics are set out in the Annual Report herein 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/>.

### **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 2021, four (4) Board of Directors' meetings were convened. The details of attendance of the Board members are as follows:

<b>Name of Directors</b>	<b>No. of Meetings Attended</b>
Dato' Seri Ibrahim bin Haji Ahmad (or his Alternate Director, Ahmad Fahimi bin Ibrahim)	4/4
Professor Dr. Jinap binti Salamet	4/4
Tay Ben Seng, Benson (Resigned on 27 December 2021)	4/4

Mejar Dato' Ismail Bin Ahmad	4/4
Mohamed Zamry Bin Mohamed Hashim (Appointed on 1 September 2021)	1/1
Kamil bin Dato' Haji Abdul Rahman (Demised on 2 June 2021)	1/2
Dato' Choo Kah Hoe (Resigned on 15 October 2021)	2/3
Yee Yit Yang (Appointed on 27 December 2021)	N/A

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 2021, 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 is also represented in this Annual Report. 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.brahmsgroup.com/board-charter/](http://www.brahmsgroup.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 three (3) Independent Non-Executive Directors with Mohamed Zamry Bin Mohamed Hashim as Chairman of the Committee. The composition and Terms of Reference of the Audit Committee are also provided in this report.

Name	Designation	
Mohamed Zamry Bin Mohamed Hashim (Chairman)	Independent Director	Non-Executive
Mejar Dato' Ismail Bin Ahmad (Member)	Independent Director	Non-Executive
Yee Yit Yang (Member)	Independent Director	Non-Executive

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 two (2) 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 three (3) Independent Non-Executive Directors with Mohamed Zamry Bin Mohamed Hashim as Chairman of the Committee:

Name	Designation	
Mohamed Zamry Bin Mohamed Hashim (Chairman)	Independent Director	Non-Executive
Mejar Dato' Ismail Bin Ahmad (Member)	Independent Director	Non-Executive



Yee Yit Yang (Member)	Independent Director	Non-Executive
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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**

The Directors had during the financial year attended some trainings, conferences, seminars and briefings relevant to their functional duties. This is in-line with Principle 4 of the Code by attending conferences, workshops etc. to update knowledge and skills. Reference can be made to the Directors Profile set out in the Annual Report herein.

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
Yee Yit Yang (Chairman)	Independent Non-Executive Director
Mohamed Zamry Bin Mohamed Hashim (Member)	Independent Non-Executive Director
Professor Dr. Jinap binti Salamet (Member)	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 2021 is set out in the tables below:

(1) All Directors

No.	Names of Current Non-Executive Directors	Directors' Fees for FY 2021 (RM'000)	Other Allowances (RM'000)
1	Dato' Choo Kah Hoe	60	-
2	Kamil bin Dato' Haji Abdul Rahman	25	-
3	Professor Dr. Jinap binti Salamet	60	-
4	Tay Ben Sen	60	-
5	Mejar Dato' Ismail Bin Ahmad	60	-
6	Mohamed Zamry Bin Mohamed Hashim	10	-
7	Yee Yit Yang	-	-
8	Ahmad Fahimi bin Ibrahim	-	-

(2) 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	660	-	-	732

## 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 Fourtieth Annual General Meeting to be held on 24 June 2022 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 in-house, the Audit Charter and guidelines has been introduced as to upkeep the same 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 2021, 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 Depositary Receipts or Global Depositary 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](mailto: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 2021, 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.

# **Statement on Risk Management and 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 2021, 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 in-house Internal Audit ("IA") as to put emphasis on the effectiveness of internal control and operational process of Brahim's SATS Food Services Sdn Bhd ("BSFS").

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 2021, 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.

# **Audit Committee Report**

## **CHAIRMAN**

**Mohamed Zamry Bin Mohamed Hashim**

Independent Non-Executive Director

## **MEMBERS**

**Mejar Dato' Ismail Bin Ahmad**

Independent Non-Executive Director

**Yee Yit Yang**

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-executive 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:
  - He must have passed the examination specified in Part I of the 1st Schedule of the Accountant Act 1967; or
  - 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
- iii. 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 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 2021.

## 7. Attendance at Meetings

During the financial year ended 31 December 2021, the Audit Committee held a total of three (3) meetings. The details of attendance of the Committee members are as follows:

Name of Member	No. of Meetings Attended by Members
Mohamed Zamry Bin Mohamed Hashim <sup>(1)</sup>	1/1
Mejar Dato' Ismail Bin Ahmad	1/1
Yee Yit Yang <sup>(2)</sup>	N/A
Kamil Bin Dato' Haji Abdul Rahman <sup>(3)</sup>	2/2
Prof Dr Jinap Binti Salamet	3/3
Dato' Choo Kah Hoe <sup>(5)</sup>	2/2
Tay Ben Seng, Benson <sup>(6)</sup>	1/1

(1) Mohamed Zamry Bin Mohamed Hashim was appointed as Independent Non-Executive Director on 1 September 2021.

(2) Yee Yit Yang was appointed as Independent Non-Executive Director on 27 December 2021.

(3) Kamil Bin Dato' Haji Abdul Rahman passed away on 2 June 2021.

(4) Prof Dr Jinap Binti Salamet was re-designated from an Independent Non-Executive Director to Non-Independent Non-Executive Director on 12 April 2021. She also ceased as a member of the Audit Committee on 12 April 2021.

(5) Dato' Choo Kah Hoe had resigned as Independent Non-Executive Director with effect from 15 October 2021.

(6) Tay Ben Seng, Benson appointed as a member of Audit Committee on 22 October 2021. Thereafter, he resigned from the Board on 27 December 2021.

## 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 judgemental 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.

## **Reports & Financial Statements For the Financial Year Ended 31 December 2021**

- DIRECTORS' REPORT
- STATEMENTS OF FINANCIAL POSITION
- STATEMENTS OF COMPREHENSIVE INCOME
- STATEMENTS OF CHANGES IN EQUITY
- STATEMENTS OF CASH FLOWS
- NOTES TO THE FINANCIAL STATEMENTS
- STATEMENT BY DIRECTORS
- STATUTORY DECLARATION
- INDEPENDENT AUDITORS' REPORT

*(Please refer to separate pdf file : AFS\_BHB 2021)*

## 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



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