

**BRAHIM'S HOLDINGS BERHAD**  
**198201002985 (82731-A)**  
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**Registration No. 198201002985 (82731–A)**

**BRAHIM'S HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

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**BRAHIM'S HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT**

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

**PRINCIPAL ACTIVITIES**

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of its subsidiaries include catering and catering related services, provision of warehouse rental, bonded warehousing, freight forwarded and transportation services.

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

**RESULTS**

	<b>Group RM'000</b>	<b>Company RM'000</b>
Loss for the financial year, net of tax	<u>(17,644)</u>	<u>(5,495)</u>
Attributable to:		
Owners of the Company	(10,751)	(5,495)
Non-controlling interests	<u>(6,893)</u>	<u>-</u>
	<u>(17,644)</u>	<u>(5,495)</u>

**DIVIDENDS**

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

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 December 2022.

**RESERVES OR PROVISIONS**

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

**BRAHIM'S HOLDINGS BERHAD**  
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**DIRECTORS' REPORT** (continued)

**BAD AND DOUBTFUL DEBTS**

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

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

**CURRENT ASSETS**

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

**VALUATION METHODS**

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

**CONTINGENT AND OTHER LIABILITIES**

At the date of this report, there does not exist:

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

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

**BRAHIM'S HOLDINGS BERHAD**  
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**DIRECTORS' REPORT** (continued)

**CHANGE OF CIRCUMSTANCES**

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

**ITEMS OF MATERIAL AND UNUSUAL NATURE**

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year, were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

**AUDITORS' REMUNERATION**

The auditors' remuneration of the Group and the Company during the financial year were RM307,000 and RM90,000 respectively.

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

**ISSUE OF SHARES AND DEBENTURES**

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

**DIRECTORS**

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

Dato' Seri Ibrahim Bin Haji Ahmad*	
Mejar Dato' Ismail bin Ahmad	
Ahmad Fahimi Bin Ibrahim* (Alternate Director to Dato' Seri Ibrahim Bin Haji Ahmad)	
Professor Dr. Jinap Binti Salamet	(Resigned on 20 December 2022)
Mohamed Zamry Bin Mohamed Hashim	(Resigned on 20 December 2022)
Yee Yit Yang	(Resigned on 20 December 2022)

\* Directors of the Company and certain subsidiaries

**BRAHIM'S HOLDINGS BERHAD**  
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**DIRECTORS' REPORT** (continued)

**DIRECTORS** (continued)

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

Mohd Fadhli Bin Abdul Rahman	
Nur Fatin Binti Ibrahim	
Siti Rafidah Binti Tan Sri Datuk Amar Haji Adenan	
Foong Chee Yeong	(Resigned on 14 April 2022)
Seah Kok Khong	(Resigned on 19 April 2022)
Tan Chuan Lye	(Resigned on 19 April 2022)
Philip See Yew Jin	(Resigned on 14 April 2022)
Ng Darren Daniel	(Resigned on 7 October 2022)
Abdul Offar Bin Musa	(Resigned on 13 February 2023)

**DIRECTORS' INTERESTS**

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

**Interests in the Company**

	Number of ordinary shares			At 31.12.2022
	At 1.1.2022	Bought	Sold	
<b>Direct interests:</b>				
Dato' Seri Ibrahim Bin Haji Ahmad	17,720,000	-	-	17,720,000
<b>Indirect interests:</b>				
Dato' Seri Ibrahim Bin Haji Ahmad*	58,253,300	-	-	58,253,300

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

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

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

**BRAHIM'S HOLDINGS BERHAD**  
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**DIRECTORS' REPORT** (continued)

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

	<b>Group RM'000</b>	<b>Company RM'000</b>
<b>Directors of the Company</b>		
Executive director		
- Fees	72	72
- Other emoluments	<u>1,434</u>	<u>660</u>
	1,506	732
Non-executive directors		
- Fees	240	240
<b>Director of the subsidiaries</b>		
Executive director		
- Other emoluments	<u>418</u>	<u>-</u>
	<u><u>2,164</u></u>	<u><u>972</u></u>

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

**INDEMNITY TO DIRECTORS AND OFFICERS**

During the financial year, no indemnity was given to or insurance effected for, any director and officer of the Company.

**BRAHIM'S HOLDINGS BERHAD**  
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**DIRECTORS' REPORT** (continued)

**SUBSIDIARIES**

The details of the Company's subsidiaries are as follows:

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



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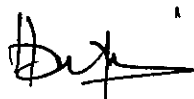
**BRAHIM'S HOLDINGS BERHAD**  
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**DIRECTORS' REPORT** (continued)

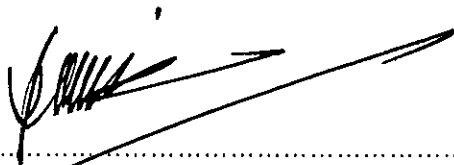
**AUDITORS**

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

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



.....  
**DATO' SERI IBRAHIM BIN HAJI AHMAD**  
Director



.....  
**MEJAR DATO' ISMAIL BIN AHMAD**  
Director

Date: 9 June 2023

**BRAHIM'S HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022**

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	163,106	174,030	1	2
Investment in subsidiaries	6	-	-	99,016	99,016
Goodwill	7	84	84	-	-
Trade and other receivables	9	-	-	-	-
<b>Total non-current assets</b>		<u>163,190</u>	<u>174,114</u>	<u>99,017</u>	<u>99,018</u>
<b>Current assets</b>					
Inventories	8	3,827	2,411	-	-
Tax assets		327	967	-	-
Trade and other receivables	9	20,750	13,689	10,271	10,381
Cash and short-term deposits	10	8,173	5,251	1,965	2,100
<b>Total current assets</b>		<u>33,077</u>	<u>22,318</u>	<u>12,236</u>	<u>12,481</u>
<b>TOTAL ASSETS</b>		<u>196,267</u>	<u>196,432</u>	<u>111,253</u>	<u>111,499</u>

**BRAHIM'S HOLDINGS BERHAD**  
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**STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022** (continued)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	11	279,607	279,607	279,607	279,607
Accumulated losses		(376,936)	(366,185)	(269,502)	(264,007)
		(97,329)	(86,578)	10,105	15,600
<b>Non-controlling interests</b>		<b>(83,678)</b>	<b>(76,785)</b>	<b>-</b>	<b>-</b>
<b>(CAPITAL DEFICIENCY)/</b>					
<b>TOTAL EQUITY</b>		<b>(181,007)</b>	<b>(163,363)</b>	<b>10,105</b>	<b>15,600</b>
<b>Non-current liabilities</b>					
Loans and borrowings	12	148,983	156,298	-	51
Deferred tax liabilities	13	1,188	2,644	-	-
Other payables	14	9,248	1,291	1,120	1,120
<b>Total non-current liabilities</b>		<b>159,419</b>	<b>160,233</b>	<b>1,120</b>	<b>1,171</b>
<b>Current liabilities</b>					
Loans and borrowings	12	94,574	83,735	82,344	78,230
Provisions	15	7,462	7,462	-	-
Tax liabilities		10	22	-	-
Trade and other payables	14	115,809	108,343	17,684	16,498
<b>Total current liabilities</b>		<b>217,855</b>	<b>199,562</b>	<b>100,028</b>	<b>94,728</b>
<b>TOTAL LIABILITIES</b>		<b>377,274</b>	<b>359,795</b>	<b>101,148</b>	<b>95,899</b>
<b>TOTAL EQUITY AND</b>					
<b>LIABILITIES</b>		<b>196,267</b>	<b>196,432</b>	<b>111,253</b>	<b>111,499</b>

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

**BRAHIM'S HOLDINGS BERHAD**  
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**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	16	108,848	33,572	280	-
Cost of sales	17	(72,553)	(26,753)	-	-
<b>Gross profit/(loss)</b>		<b>36,295</b>	<b>6,819</b>	<b>280</b>	<b>-</b>
Other income	18	498	155	5	10
Administrative expenses		(34,724)	(48,805)	(1,809)	(2,205)
Impairment losses					
on financial instruments	21	(821)	(245)	-	-
Reversal of impairment losses					
on financial instruments	21	80	1,957	342	30
Other expenses					
- Others		(4,074)	(1,981)	-	-
<b>Operating loss</b>		<b>(2,746)</b>	<b>(42,100)</b>	<b>(1,182)</b>	<b>(2,165)</b>
Finance income	19	40	114	28	38
Finance costs	20	(16,347)	(12,486)	(4,341)	(4,659)
<b>Loss before tax</b>	21	<b>(19,053)</b>	<b>(54,472)</b>	<b>(5,495)</b>	<b>(6,786)</b>
Income tax credit	23	1,409	6,830	-	-
<b>Total comprehensive loss for the financial year</b>		<b>(17,644)</b>	<b>(47,642)</b>	<b>(5,495)</b>	<b>(6,786)</b>
<b>Loss attributable to:</b>					
Owners of the Company		(10,751)	(11,275)	(5,495)	(6,786)
Non-controlling interests		(6,893)	(36,367)	-	-
		<u>(17,644)</u>	<u>(47,642)</u>	<u>(5,495)</u>	<u>(6,786)</u>
<b>Total comprehensive loss attributable to:</b>					
Owners of the Company		(10,751)	(11,275)	(5,495)	(6,786)
Non-controlling interests		(6,893)	(36,367)	-	-
		<u>(17,644)</u>	<u>(47,642)</u>	<u>(5,495)</u>	<u>(6,786)</u>

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

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**BRAHIM'S HOLDINGS BERHAD**  
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**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	<- Attributable to owners of the Company ->				
	Share capital RM'000	Accumulated losses RM'000	Sub-total RM'000	Non- controlling interests RM'000	(Accumulated losses) RM'000
<b>Group</b>					
<b>At 1 January 2021</b>	268,266	(354,910)	(86,644)	(40,418)	(127,062)
<b>Total comprehensive loss for the financial year</b>					
Loss for the financial year, representing total comprehensive loss for the financial year	-	(11,275)	(11,275)	(36,367)	(47,642)
<b>Transaction with owners</b>					
Issue of ordinary shares, representing total transaction with owners	11,341	-	11,341	-	11,341
<b>At 31 December 2021</b>	279,607	(366,185)	(86,578)	(76,785)	(163,363)
<b>Total comprehensive loss for the financial year</b>					
Loss for the financial year, representing total comprehensive loss for the financial year	-	(10,751)	(10,751)	(6,893)	(17,644)
<b>At 31 December 2022</b>	279,607	(376,936)	(97,329)	(83,678)	(181,007)

**BRAHIM'S HOLDINGS BERHAD**  
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**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022** (continued)

		<- Attributable to owners of the Company ->		
	Note	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
<b>Company</b>				
<b>At 1 January 2021</b>		268,266	(257,221)	11,045
<b>Total comprehensive loss for the financial year</b>				
Loss for the financial year, representing total comprehensive loss for the financial year		-	(6,786)	(6,786)
<b>Transaction with owners</b>				
Issue of ordinary shares, representing total transaction with owners	11	11,341	-	11,341
<b>At 31 December 2021</b>		279,607	(264,007)	15,600
<b>Total comprehensive loss for the financial year</b>				
Loss for the financial year, representing total comprehensive loss for the financial year		-	(5,495)	(5,495)
<b>At 31 December 2022</b>		<u>279,607</u>	<u>(269,502)</u>	<u>10,105</u>

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

**BRAHIM'S HOLDINGS BERHAD**  
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**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Cash flows from operating activities</b>					
Loss before tax		(19,053)	(54,472)	(5,495)	(6,786)
Adjustments for:					
Bad debts written off		-	30	-	-
Deposits written off		160	35	-	-
Depreciation of property, plant and equipment		12,226	11,606	1	72
Finance costs		16,347	12,486	4,341	4,659
Finance income		(40)	(114)	(28)	(38)
Gain on disposal of property, plant and equipment		(211)	-	-	-
Loss/(Gain) on lease modification		26	(57)	-	-
Impairment losses on trade and other receivables		821	245	-	-
Net unrealised foreign exchange loss		219	164	-	-
Reversal of impairment losses on:					
- trade receivables		(80)	(1,957)	-	-
- amount owing by subsidiaries		-	-	(342)	(30)
<b>Operating profit/(loss) before changes in working capital</b>		<b>10,415</b>	<b>(32,034)</b>	<b>(1,523)</b>	<b>(2,123)</b>
Changes in working capital:					
Inventories		(1,417)	893	-	-
Trade and other receivables		(8,357)	32	(7)	(29)
Trade and other payables		10,663	17,591	685	955
Net cash generated from/(used in) operations		11,304	(13,518)	(845)	(1,197)
Income tax refunded/(paid)		581	(270)	-	-
Interest received		40	114	28	38
Interest paid		(209)	(203)	(5)	(8)
Net cash from/(used in) operating activities		<b>11,716</b>	<b>(13,877)</b>	<b>(822)</b>	<b>(1,167)</b>

**BRAHIM'S HOLDINGS BERHAD**  
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**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022** (continued)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Cash flows from investing activities</b>					
Change in pledged deposits		(28)	(86)	(28)	(38)
Proceeds from disposal of property, plant and equipment		211	-	-	-
Purchase of property, plant and equipment	(a)	(363)	(1,250)	-	-
Repayments from/(Advances to) subsidiaries		-	-	459	(10,322)
Repayments from/(Advances to) related parties		396	(472)	-	-
Net cash from/(used in) investing activities		<u>216</u>	<u>(1,808)</u>	<u>431</u>	<u>(10,360)</u>
<b>Cash flows from financing activities</b>					
Proceeds from issuance of shares	(b)	-	11,341	-	11,341
Repayments of hire purchase		(1,104)	(698)	(77)	(73)
Payments of lease liabilities		(12,694)	(901)	-	-
Repayments of term loans		-	(1,650)	-	(1,650)
Advances from a subsidiary		-	-	22	2,274
Advances from related parties		4,477	1,750	-	-
Advances from/(Repayments to) a director		283	(428)	283	(428)
Net cash (used in)/from financing activities		<u>(9,038)</u>	<u>9,414</u>	<u>228</u>	<u>11,464</u>
Net increase/(decrease) in cash and cash equivalents		2,894	(6,271)	(163)	(63)
<b>Cash and cash equivalents at the beginning of the financial year</b>		<u>2,087</u>	<u>8,358</u>	<u>213</u>	<u>276</u>
<b>Cash and cash equivalents at the end of the financial year</b>	10	<u><u>4,981</u></u>	<u><u>2,087</u></u>	<u><u>50</u></u>	<u><u>213</u></u>



**BRAHIM'S HOLDINGS BERHAD**  
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**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022** (continued)

(a) Purchase of property, plant and equipment:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Purchase of property, plant and equipment	1,328	148,471	-	-
Financed by way of lease arrangements	(965)	(147,221)	-	-
Cash payments on purchase of property, plant and equipment	<u>363</u>	<u>1,250</u>	<u>-</u>	<u>-</u>

(b) Reconciliation of liabilities arising from financing activities:

	1 January 2022 RM'000	Cash flows RM'000	Non-cash Others RM'000	31 December 2022 RM'000
<b>Group</b>				
Hire purchase payables	1,745	(1,104)	-	641
Lease liabilities	155,853	(12,694)	12,886	156,045
Term loans	82,435	-	4,436	86,871
Amounts owing to related parties	5,543	4,477	-	10,020
Amount owing to a director	<u>6,461</u>	<u>283</u>	<u>-</u>	<u>6,744</u>
	<u>252,037</u>	<u>(9,038)</u>	<u>17,322</u>	<u>260,321</u>
<b>Company</b>				
Hire purchase payables	129	(77)	-	52
Term loans	78,152	-	4,140	82,292
Amount owing to a subsidiary	7,327	22	195	7,544
Amount owing to a director	<u>5,761</u>	<u>283</u>	<u>-</u>	<u>6,044</u>
	<u>91,369</u>	<u>228</u>	<u>4,335</u>	<u>95,932</u>

**BRAHIM'S HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022** (continued)

(b) Reconciliation of liabilities arising from financing activities: (continued)

	1 January 2021 RM'000	Cash flows RM'000	Non-cash Others RM'000	31 December 2021 RM'000
<b>Group</b>				
Hire purchase payables	2,826	(698)	(383)	1,745
Lease liabilities	1,903	(901)	154,851	155,853
Term loans	79,397	(1,650)	4,688	82,435
Amounts owing to related parties	3,793	1,750	-	5,543
Amount owing to a director	6,889	(428)	-	6,461
	<u>94,808</u>	<u>(1,927)</u>	<u>159,156</u>	<u>252,037</u>
<b>Company</b>				
Hire purchase payables	202	(73)	-	129
Term loans	75,348	(1,650)	4,454	78,152
Amount owing to a subsidiary	4,857	2,274	196	7,327
Amount owing to a director	6,189	(428)	-	5,761
	<u>86,596</u>	<u>123</u>	<u>4,650</u>	<u>91,369</u>

(c) Total cash outflows for leases as a lessee

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Included in net cash used in operating activities:</b>					
Payments relating to short-term leases	21	169	7,793	168	168
Payments relating to low value assets	21	9	9	-	-
Interest paid in relation to lease liabilities		109	203	-	-
<b>Included in net cash used in financing activities:</b>					
Repayments of lease liabilities		<u>12,694</u>	<u>901</u>	<u>-</u>	<u>-</u>
<b>Total cash outflows for leases</b>		<u>12,981</u>	<u>8,906</u>	<u>168</u>	<u>168</u>

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

**BRAHIM'S HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**

**1. CORPORATE INFORMATION**

Brahim's Holdings Berhad ("the Company") is a public limited company, incorporated and domiciled in Malaysia. The registered office and principal place of business of the Company is located at 7-05, 7th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 6.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 9 June 2023.

**2. BASIS OF PREPARATION**

**2.1. Statement of Compliance**

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

**2.2 Adoption of amendments/improvements to MFRSs**

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

Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

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

**BRAHIM'S HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**2. BASIS OF PREPARATION** (continued)

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

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

<u>New MFRS</u>	<b>Effective for financial periods beginning on or after</b>
MFRS 17 Insurance Contracts	1 January 2023
 <u>Amendments/Improvements to MFRSs</u>	
MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023 <sup>#</sup>
MFRS 3 Business Combinations	1 January 2023 <sup>#</sup>
MFRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 <sup>#</sup>
MFRS 7 Financial Instruments: Disclosures	1 January 2023 <sup>#</sup>
MFRS 9 Financial Instruments	1 January 2023 <sup>#</sup>
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 15 Revenue from Contracts with Customers	1 January 2023 <sup>#</sup>
MFRS 16 Leases	1 January 2024
MFRS 17 Insurance Contracts	1 January 2023
MFRS 101 Presentation of Financial Statements	1 January 2023/ 1 January 2023 <sup>#</sup> / 1 January 2024
MFRS 107 Statements of Cash Flows	1 January 2023 <sup>#</sup>
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112 Income Taxes	1 January 2023
MFRS 116 Property, Plant and Equipment	1 January 2023 <sup>#</sup>
MFRS 119 Employee Benefits	1 January 2023 <sup>#</sup>
MFRS 128 Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 <sup>#</sup>
MFRS 132 Financial Instruments: Presentation	1 January 2023 <sup>#</sup>
MFRS 136 Impairment of Assets	1 January 2023 <sup>#</sup>
MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2023 <sup>#</sup>
MFRS 138 Intangible Assets	1 January 2023 <sup>#</sup>
MFRS 140 Investment Property	1 January 2023 <sup>#</sup>

*<sup>#</sup> Amendments as to the consequence of effective of MFRS 17 Insurance Contract*

**2.3.1** The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective.

**BRAHIM'S HOLDINGS BERHAD**  
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**2. BASIS OF PREPARATION** (continued)

**2.4 Functional and presentation currency**

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

**2.5 Basis of measurement**

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

**2.6 Use of estimates and judgement**

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

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

**2.7 Fundamental accounting principle**

The financial statements of the Group and the Company have been prepared on the assumption that the Group and the Company will continue as going concerns. The application of going concern basis is based on the assumption that the Group and the Company will be able to realise their assets and discharge their liabilities in the normal course of business.

- (a) During the financial year ended 31 December 2022, the Group and the Company incurred a net loss of RM17.644 million and RM5.495 million respectively and as of that date, the Group's and the Company's current liabilities exceeded the current assets by RM184.778 million and RM87.792 million respectively and the Group recorded a capital deficiency of RM181.007 million.
- (b) 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") on 28 February 2019, as the shareholders' equity of the Group is less than RM40.000 million and is 25% or less of its issued and paid-up capital.

On 25 February 2022, the Company has submitted an application for a further extension of time to Bursa Securities ("EOT Application"). Bursa Securities had vide its letter dated 7 April 2022, rejected the EOT Application of the Company.

**BRAHIM'S HOLDINGS BERHAD**  
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**2. BASIS OF PREPARATION (continued)**

**2.7 Fundamental accounting principle (continued)**

(b) (continued)

A written appeal against the de-listing was submitted to Bursa Securities on 14 April 2022 and the removal of the securities of the Company from the Official List of Bursa Securities is currently pending the decision by Bursa Securities on the appeal. The trading in the securities of the Company has been suspended with effect from 15 April 2022. On 31 May 2022, Bursa Securities dismissed the Company's appeal for EOT application to submit the regularisation plan to the relevant authorities and decided to de-list the Company pursuant to paragraph 8.04 of the Bursa Securities Main Market Listing Requirements. The securities of the Company were removed from the Official list of Bursa Securities on 3 June 2022.

(c) As disclosed in Note 12(a)(ii), on 18 March 2022, the Company received a letter of demand dated 16 March 2022 from OCBC Al-Amin Berhad's ("OCBC") appointed solicitor which claimed against the Company on the following:

- i. the outstanding rental sum of RM62.033 million as at 28 February 2022; and
- ii. the Company is given seven days from the date hereon to regularise the said payment, failing which OCBC shall have no option but be compelled to declare and demand that the secured amount to be immediately due and payable.

On 5 May 2022, the Company had received a letter from OCBC, serving a put option notice in relation to the Term Financing-I Ijarah Muntahiah Bi Al-Tamlik (Term-i) ("Put Option Notice"). Pursuant to the Put Option Notice, the Company is required to settle an amount owing to OCBC of RM79.256 million together with late payment charges.

On 2 February 2023, OCBC had granted the Company an interim indulgence of time with certain conditions. The directors believe that the Company is able to reach a full and final settlement of the above amount outstanding with OCBC.

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

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

- its ability to reach an amicable settlement with financial institution;
- its ability continue to operate profitably and continuous support from the lenders and suppliers; and
- potential divestment of assets.

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

**BRAHIM'S HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**3.1 Basis of consolidation**

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

**(a) Subsidiaries and business combination**

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

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

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

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

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

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

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

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

**BRAHIM'S HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.1 Basis of consolidation (continued)**

**(a) Subsidiaries and business combination (continued)**

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

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

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

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

**(b) Non-controlling interests**

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

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



**BRAHIM'S HOLDINGS BERHAD**  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.1 Basis of consolidation (continued)**

**(c) Transactions eliminated on consolidation**

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

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

**3.2 Separate financial statements**

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

**3.3 Foreign currency transactions**

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

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

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

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

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

**BRAHIM'S HOLDINGS BERHAD**  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.4 Financial instruments**

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

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

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

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

**(a) Subsequent measurement**

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

**(i) Financial assets**

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

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

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

**BRAHIM'S HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**3.4 Financial instruments** (continued)

**(a) Subsequent measurement** (continued)

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

**(i) Financial assets** (continued)

Debt instruments

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

▪ **Amortised cost**

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

**(ii) Financial liabilities**

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

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

**(b) Regular way purchase or sale of financial assets**

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

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

Trade date accounting refers to:

- (i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- (ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

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

**BRAHIM'S HOLDINGS BERHAD**  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.4 Financial instruments (continued)**

**(c) Derecognition**

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

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

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

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

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**(d) Offsetting of financial instruments**

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

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

**BRAHIM'S HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.5 Property, plant and equipment**

**(a) Recognition and measurement**

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

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

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

**(b) Subsequent costs**

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

**(c) Depreciation**

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

**BRAHIM'S HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.5 Property, plant and equipment (continued)**

**(c) Depreciation (continued)**

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

Warehouse building and improvements	over the remaining lease period of 53 ¾ years
Containers, pallets, plant and machinery	5% - 33 1/3%
Renovation and electrical installations	10% - 66%
Signboard, furniture and fittings, electronic data processing ("EDP") equipment and office equipment	5% - 33 1/3%
Motor vehicles, lorries and trucks	10% - 20%

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at end of the reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

**(d) Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the assets is recognised in profit or loss.

**3.6 Leases**

**(a) Definition of lease**

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

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

**BRAHIM'S HOLDINGS BERHAD**  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.6 Leases (continued)**

**(b) Lessee accounting**

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

The Group and the Company present right-of-use assets in Note 5 and lease liabilities in Note 12.

Right-of-use asset

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

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

Lease liability

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

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

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

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

**BRAHIM'S HOLDINGS BERHAD**  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.6 Leases (continued)**

**(b) Lessee accounting (continued)**

Lease liability (continued)

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

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

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

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

Short-term leases and leases of low value asset

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

**3.7 Goodwill**

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



**BRAHIM'S HOLDINGS BERHAD**  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.8 Inventories**

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

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

**3.9 Cash and cash equivalents**

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

**3.10 Impairment of assets**

**(a) Impairment of financial assets**

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

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

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

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

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

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

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.10 Impairment of assets (continued)**

**(a) Impairment of financial assets (continued)**

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

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

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

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

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

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

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

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

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

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

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.10 Impairment of assets (continued)**

**(a) Impairment of financial assets (continued)**

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

**(b) Impairment of non-financial assets**

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

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

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

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

Impairment losses are recognised in profit or loss.

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.10 Impairment of assets (continued)**

**(b) Impairment of non-financial assets (continued)**

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

**3.11 Share capital**

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

**3.12 Provisions**

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

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

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

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

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.13 Employee benefits**

**(a) Short-term employee benefits**

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

**(b) Defined contribution plan**

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

**3.14 Revenue and other income**

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

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

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

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

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

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.14 Revenue and other income (continued)**

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

**(a) Warehousing revenue**

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

**(b) Logistics related services**

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

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

**(c) Catering and catering related services**

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

**(d) Management fees**

Management fee is recognised over time when the service is rendered.

**(e) Interest income**

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

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.15 Borrowing costs**

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

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

**3.16 Income tax**

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

**(a) Current tax**

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

**(b) Deferred tax**

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

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

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

**BRAHIM'S HOLDINGS BERHAD**  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.16 Income tax (continued)**

**(b) Deferred tax (continued)**

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

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

**(c) Sales and services tax**

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

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

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

**(d) Zakat**

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



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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.17 Fair value measurements**

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

**3.18 Contingencies**

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

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

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

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

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**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

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

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

**(a) Going concern**

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

The details of material uncertainty related to going concerns are disclosed in Note 2.7.

**(b) Impairment of property, plant and equipment**

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

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

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

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**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**  
(continued)

**(c) Impairment of investment in subsidiaries**

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

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

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

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**5. PROPERTY, PLANT AND EQUIPMENT**

Group 2022	Warehouse building and improvements RM'000	Containers, pallets, plant and machinery RM'000	Renovation and electrical installations RM'000	Signboard, furniture and fittings, EDP equipment and office equipment RM'000	Motor vehicles, lorries and trucks RM'000	Capital work-in- progress RM'000	Right-of-use assets RM'000	Total RM'000
<b>At cost</b>								
At 1 January 2022	36,403	115,629	2,540	84,945	50,843	1,239	150,405	442,004
Additions	19	53	32	245	2	12	965	1,328
Disposals	-	(2,199)	-	-	(4,045)	-	-	(6,244)
Reclassification	-	-	32	-	-	(32)	-	-
Derecognition	-	-	-	-	-	-	(2,107)	(2,107)
Modification	-	-	-	-	-	-	(54)	(54)
At 31 December 2022	36,422	113,483	2,604	85,190	46,800	1,219	149,209	434,927

**BRAHIM'S HOLDINGS BERHAD**  
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**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

	Warehouse building and improvements RM'000	Containers, pallets, plant and machinery RM'000	Renovation and electrical installations RM'000	Signboard, furniture and fittings, EDP equipment and office equipment RM'000	Motor vehicles, lorries and trucks RM'000	Capital work-in- progress RM'000	Right-of-use assets RM'000	Total RM'000
<b>Group</b>								
<b>2022</b>								
<b>Accumulated depreciation</b>								
At 1 January 2022	14,636	105,084	1,831	81,917	47,538	-	7,159	258,165
Depreciation charge for the financial year	681	1,579	216	973	689	-	8,088	12,226
Disposals	-	(2,199)	-	-	(4,045)	-	-	(6,244)
Derecognition	-	-	-	-	-	-	(2,107)	(2,107)
Modification	-	-	-	-	-	-	(28)	(28)
At 31 December 2022	15,317	104,464	2,047	82,890	44,182	-	13,112	262,012
<b>Accumulated impairment losses</b>								
At 1 January 2022/								
31 December 2022	-	6,774	-	1,859	1,176	-	-	9,809
<b>Carrying amount</b>								
At 31 December 2022	21,105	2,245	557	441	1,442	1,219	136,097	163,106

**BRAHIM'S HOLDINGS BERHAD**  
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**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

	Warehouse building and improvements RM'000	Containers, pallets, plant and machinery RM'000	Renovation and electrical installations RM'000	Signboard, furniture and fittings, EDP equipment and office equipment RM'000	Motor vehicles, lorries and trucks RM'000	Capital work-in- progress RM'000	Right-of-use assets RM'000	Total RM'000
<b>Group</b>								
<b>2021</b>								
<b>At cost</b>								
At 1 January 2021	35,554	115,346	2,540	84,864	50,838	1,207	36,397	326,746
Additions	849	283	-	81	5	32	147,221	148,471
Derecognition	-	-	-	-	-	-	(33,213)	(33,213)
At 31 December 2021	36,403	115,629	2,540	84,945	50,843	1,239	150,405	442,004

**BRAHIM'S HOLDINGS BERHAD**  
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**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

Group	Warehouse building and improvements RM'000	Containers, pallets, plant and machinery RM'000	Renovation and electrical installations RM'000	Signboard, furniture and fittings, EDP equipment and office equipment RM'000	Motor vehicles, lorries and trucks RM'000	Capital work-in-progress RM'000	Right-of-use assets RM'000	Total RM'000
<b>Accumulated depreciation</b>								
At 1 January 2021	13,970	103,041	1,608	80,617	45,811	-	34,270	279,317
Depreciation charge for the financial year	666	2,043	223	1,300	1,727	-	5,647	11,606
Derecognition	-	-	-	-	-	-	(32,758)	(32,758)
At 31 December 2021	14,636	105,084	1,831	81,917	47,538	-	7,159	258,165
<b>Accumulated impairment losses</b>								
At 1 January 2021/	-	6,774	-	1,859	1,176	-	-	9,809
31 December 2021	-	6,774	-	1,859	1,176	-	-	9,809
<b>Carrying amount</b>								
At 31 December 2021	21,767	3,771	709	1,169	2,129	1,239	143,246	174,030

**BRAHIM'S HOLDINGS BERHAD**  
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**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

<b>Company</b>	<b>Renovation and electrical installations RM'000</b>	<b>Furniture and fittings and office equipment RM'000</b>	<b>Motor vehicles RM'000</b>	<b>Total RM'000</b>
<b>2022</b>				
<b>At cost</b>				
At 1 January 2022/ 31 December 2022	93	400	605	1,098
<b>Accumulated depreciation</b>				
At 1 January 2022	93	399	604	1,096
Depreciation charge for the financial year	-	1	-	1
At 31 December 2022	93	400	604	1,097
<b>Carrying amount</b>				
At 31 December 2022	-	-	1	1
<b>2021</b>				
<b>At cost</b>				
At 1 January 2021/ 31 December 2021	93	400	605	1,098
<b>Accumulated depreciation</b>				
At 1 January 2021	93	398	533	1,024
Depreciation charge for the financial year	-	1	71	72
At 31 December 2021	93	399	604	1,096
<b>Carrying amount</b>				
At 31 December 2021	-	1	1	2



**BRAHIM'S HOLDINGS BERHAD**  
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**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

**(a) Assets pledged as security**

The carrying amount of property, plant and equipment of the Group and the Company pledged as security for hire purchase arrangement (Note 12(c)) are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Containers, pallets, plant and machinery	272	264	-	-
Motor vehicles, lorries and trucks	213	1,114	1	1
Furniture and fittings	94	329	-	-

**(b) Right-of-use assets**

The Group leases several assets including leasehold land, buildings, catering equipment, and motor vehicles.

Information about leases for which the Group is a lessee is presented below:

	Leasehold land RM'000	Buildings RM'000	Catering equipment RM'000	Motor vehicles RM'000	Total RM'000
<b>Carrying amount</b>					
At 1 January					
2021	574	943	4	606	2,127
Additions	-	147,221	-	-	147,221
Depreciation	(171)	(5,402)	(4)	(70)	(5,647)
Derecognition	-	-	-	(455)	(455)
At 31 December					
2021	403	142,762	-	81	143,246
Additions	-	965	-	-	965
Depreciation	(15)	(7,992)	-	(81)	(8,088)
Modification	-	(26)	-	-	(26)
At 31 December					
2022	388	135,709	-	-	136,097

The Group leases land for its warehouse space. The lease of the land has remaining lease term of 36 years.

The Group leases the buildings for their office space and operation sites. The leases for office space and operation sites generally have lease terms ranging from 2 to 20 years.

The Group also leases catering equipment and motor vehicles with lease terms of 2 years.

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**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

- (c) The carrying amount of property, plant and equipment (including right-of-use assets) of cash generating unit of catering and catering related services as at the end of the financial year amounted to RM140.266 million (2021: RM150.067 million) with the corresponding lease liabilities of RM155.357 million (2021: RM154.941 million).

The Group has performed an impairment assessment on its cash generating unit in order to determine its recoverable amount based on its value-in-use. With the improving outlook for airline and related industry, the Group expects the value-in-use of its cash generating unit to exceed the carrying amount and hence no further impairment.

**6. INVESTMENT IN SUBSIDIARIES**

	<b>Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares - at cost	191,334	191,334
Less: Impairment losses		
At beginning/end of the financial year	<u>(92,318)</u>	<u>(92,318)</u>
	<u>99,016</u>	<u>99,016</u>

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**6. INVESTMENT IN SUBSIDIARIES** (continued)

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Effective equity interest		Principal activities
		2022 %	2021 %	
Brahim's Dewina Investment Holdings Sdn. Bhd. ("BDIH") (formerly known as Brahim's SATS Investment Holdings Sdn. Bhd.)*	Malaysia	51	51	Investment holding
Tamadam Crest Sdn. Bhd.*	Malaysia	100	100	Dormant
Tamadam Industries Sdn. Bhd. Sdn. Bhd.	Malaysia	100	100	Provision of warehouse rental, bonded warehousing, freight forwarding and transportation services
Brahim's Marketing Sdn. Bhd.*	Malaysia	100	100	Dormant
Brahim's Trading Sdn. Bhd.*	Malaysia	100	100	Dormant
Brahim's Food & Facilities Management Sdn. Bhd.*	Malaysia	100	100	Dormant
Admuda Sdn. Bhd. ("ASB")*	Malaysia	60	60	Dormant
<b>Subsidiary of BDIH</b>				
Brahim's Food Services Sdn. Bhd. (formerly known as Brahim's SATS Food Services Sdn. Bhd.)*	Malaysia	35.7	35.7	Catering and catering related services

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

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**6. INVESTMENT IN SUBSIDIARIES** (continued)

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

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

Equity interest held by non-controlling interests:

Name of company	Principal place of business/ country of incorporation	Effective equity interest	
		2022 %	2021 %
BDIH	Malaysia	64.3	64.3
ASB	Malaysia	40	40

Carrying amount of non-controlling interests:

Name of company	2022 RM'000	2021 RM'000
BDIH	(79,159)	(72,272)
ASB	<u>(4,519)</u>	<u>(4,513)</u>
	<u><u>(83,678)</u></u>	<u><u>(76,785)</u></u>

Profit or loss allocated to non-controlling interests:

Name of company	2022 RM'000	2021 RM'000
BDIH	(6,887)	(36,362)
ASB	<u>(6)</u>	<u>(5)</u>
	<u><u>(6,893)</u></u>	<u><u>(36,367)</u></u>

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**6. INVESTMENT IN SUBSIDIARIES (continued)**

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

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

	<b>BDIH</b>	<b>ASB</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Summarised statements of financial position</b>		
<b>As at 31 December 2022</b>		
Current assets	26,659	27
Non-current assets	140,266	-
Current liabilities	(120,667)	(11,496)
Non-current liabilities	(157,622)	-
Net liabilities	<u>(111,364)</u>	<u>(11,469)</u>
<b>Summarised statements of comprehensive income</b>		
<b>Financial year ended 31 December 2022</b>		
Revenue	101,291	-
Loss for the financial year	(10,716)	(16)
Total comprehensive loss	<u>(10,716)</u>	<u>(16)</u>
<b>Summarised cash flow information</b>		
<b>Financial year ended 31 December 2022</b>		
Net cash flows used in operating activities	11,719	(15)
Net cash flows used in investing activities	(134)	-
Net cash flows from financing activities	(9,536)	15
Net increase in cash and cash equivalents	<u>2,049</u>	<u>-</u>
Dividends paid to non-controlling interest	<u>-</u>	<u>-</u>

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**6. INVESTMENT IN SUBSIDIARIES (continued)**

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

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

	<b>BDIH</b>	<b>ASB</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Summarised statements of financial position</b>		
<b>As at 31 December 2021</b>		
Current assets	16,150	26
Non-current assets	150,067	1
Current liabilities	(108,785)	(11,480)
Non-current liabilities	(158,079)	(1)
Net liabilities	<u>(100,647)</u>	<u>(11,454)</u>
<b>Summarised statements of comprehensive income</b>		
<b>Financial year ended 31 December 2021</b>		
Revenue	26,944	-
Loss for the financial year	(40,007)	(24)
Total comprehensive loss	<u>(40,007)</u>	<u>(24)</u>
<b>Summarised cash flow information</b>		
<b>Financial year ended 31 December 2021</b>		
Net cash flows used in operating activities	(13,307)	(12)
Net cash flows from investing activities	(335)	-
Net cash flows (used in)/from financing activities	10,798	12
Net decrease in cash and cash equivalents	<u>(2,844)</u>	<u>-</u>
Dividends paid to non-controlling interest	<u>-</u>	<u>-</u>

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

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**7. GOODWILL**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Cost	282,563	282,563
Accumulated impairment losses	<u>(282,479)</u>	<u>(282,479)</u>
<b>Carrying amount</b>	<b><u>84</u></b>	<b><u>84</u></b>

**8. INVENTORIES**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At cost:</b>		
Catering stores	1,889	541
Maintenance stores	1,527	1,451
General stores	<u>411</u>	<u>419</u>
	<b><u>3,827</u></b>	<b><u>2,411</u></b>

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM43.593 million (2021: RM11.334 million).

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**9. TRADE AND OTHER RECEIVABLES**

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Non-current:</b>					
<b>Non-trade</b>					
Amount owing by a subsidiary		-	-	2,699	2,699
Less: Impairment losses - amount owing by a subsidiary		-	-	(2,699)	(2,699)
(b)		-	-	-	-
<b>Current:</b>					
<b>Trade</b>					
Trade receivables		22,128	14,813	-	-
Less: Impairment losses		(5,346)	(4,605)	-	-
(a)		16,782	10,208	-	-
<b>Non-trade</b>					
Other receivables		2,420	2,089	20	14
GST refundable		-	-	-	-
Amounts owing by subsidiaries	(b)	-	-	23,806	24,264
Amounts owing by related parties	(c)	102	498	-	-
Deposits		756	444	15	15
Prepayments		690	450	-	-
		3,968	3,481	23,841	24,293
Less: Impairment losses - amounts owing by subsidiaries	(b)	-	-	(13,570)	(13,912)
		-	-	(13,570)	(13,912)
		3,968	3,481	10,271	10,381
<b>Total trade and other receivables (current)</b>		<b>20,750</b>	<b>13,689</b>	<b>10,271</b>	<b>10,381</b>
<b>Total trade and other receivables (non-current and current)</b>		<b>20,750</b>	<b>13,689</b>	<b>10,271</b>	<b>10,381</b>



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**9. TRADE AND OTHER RECEIVABLES (continued)**

**(a) Trade receivables**

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 30 to 60 days (2021: 30 to 60 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis

Receivables that are impaired

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

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	4,605	13,096
Charged for the financial year		
- Individually assessed	771	245
- Collectively assessed	50	-
Reversal of impairment losses	(80)	(1,957)
Written off	-	(6,779)
	<u>5,346</u>	<u>4,605</u>
At 31 December	<u>5,346</u>	<u>4,605</u>

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

The information about the credit exposures are disclosed in Note 24(b)(i).

**(b) Amounts owing by subsidiaries**

The amounts owing by subsidiaries are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

The reconciliation of movement in the impairment of amounts owing by subsidiaries are as follows:

	<b>Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	16,611	16,641
Reversal of impairment losses	(342)	(30)
	<u>16,269</u>	<u>16,611</u>
At 31 December	<u>16,269</u>	<u>16,611</u>

**(c) Amounts owing by related parties**

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

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**10. CASH AND SHORT-TERM DEPOSITS**

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	4,981	1,839	50	213
Short-term deposits	3,192	3,412	1,915	1,887
	<u>8,173</u>	<u>5,251</u>	<u>1,965</u>	<u>2,100</u>

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Short-term deposits	3,192	3,412	1,915	1,887
Less: Pledged deposits and deposits with maturity more than 3 months	<u>(3,192)</u>	<u>(3,164)</u>	<u>(1,915)</u>	<u>(1,887)</u>
	-	248	-	-
Cash and bank balances	<u>4,981</u>	<u>1,839</u>	<u>50</u>	<u>213</u>
	<u>4,981</u>	<u>2,087</u>	<u>50</u>	<u>213</u>

- (a) The short-term deposits of the Group and the Company bear interest at a rate of 1.55% (2021: 1.55%) per annum and their maturity period ranging from 1 month to 12 months (2021: 1 month to 12 months)
- (b) Short-term deposits of the Group and the Company amounting to RM3.104 million and RM1.828 million respectively (2021: RM7.656 million and RM1.800 million respectively) pledged as bank guarantee to third party creditors.
- (c) Short-term deposits of the Group and the Company amounting to RM0.088 million (2021: RM0.088 million) are pledged for banking facilities as disclosed in Note 12(a).

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**11. SHARE CAPITAL**

	Group and Company			
	Number of shares		Amounts	
	2022	2021	2022	2021
	Unit'000	Unit'000	RM'000	RM'000
<b>Issued and fully paid up (no par value):</b>				
At beginning of the financial year	307,171	236,286	279,607	268,266
Issued during the financial year	-	70,885	-	11,341
At end of the financial year	<u>307,171</u>	<u>307,171</u>	<u>279,607</u>	<u>279,607</u>

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

In the previous financial year, the Company issued 70,885,600 new ordinary shares at a price of RM0.16 per ordinary share for working capital purposes.

The new ordinary shares issued during the financial year rank pari passu in respects with the existing ordinary shares of the Company.

**12. LOANS AND BORROWINGS**

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
<b>Non-current:</b>					
Lease liabilities	(b)	148,966	155,497	-	-
Hire purchase payables	(c)	17	801	-	51
		<u>148,983</u>	<u>156,298</u>	<u>-</u>	<u>51</u>
<b>Current:</b>					
Term loans	(a)	86,871	82,435	82,292	78,152
Lease liabilities	(b)	7,079	356	-	-
Hire purchase payables	(c)	624	944	52	78
		<u>94,574</u>	<u>83,735</u>	<u>82,344</u>	<u>78,230</u>
		<u>243,557</u>	<u>240,033</u>	<u>82,344</u>	<u>78,281</u>

**BRAHIM'S HOLDINGS BERHAD**  
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**12. LOANS AND BORROWINGS (continued)**

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Total loans and borrowings: and borrowings:</b>					
Term loans	(a)	86,871	82,435	82,292	78,152
Lease liabilities	(b)	156,045	155,853	-	-
Hire purchase payables	(c)	641	1,745	52	129
		<u>243,557</u>	<u>240,033</u>	<u>82,344</u>	<u>78,281</u>

**(a) Term loans**

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Term loan I	4,579	4,283	-	-
Term loan II	<u>82,292</u>	<u>78,152</u>	<u>82,292</u>	<u>78,152</u>
	<u>86,871</u>	<u>82,435</u>	<u>82,292</u>	<u>78,152</u>

**(i) Term loan I**

Term loan I bears interest at a rate of 7.50% (2021: 7.50%) per annum and is secured and supported as follows:

- (i) letter of support from the Company;
- (ii) negative pledge; and
- (iii) letter of undertaking from the Company to retire at least 50% of the facilities from any placement proceeds of from other cashflow sources.

**Term loan II**

Term loan II bears interest at a rate of 7.65% (2021: 7.65%) per annum and is secured and supported as follows:

- (i) the Company's entire equity interest in Brahim's Dewina Investment Holdings Sdn. Bhd. (formerly known as Brahim's SATS Investment Holdings Sdn. Bhd.) and Tamadam Industries Sdn. Bhd.;
- (ii) 17,000,000 ordinary shares of the Company held by Brahim's International Franchises Sdn. Bhd. (major shareholder); and
- (iii) a pledge of the fixed deposits with a licensed bank as disclosed in Note 10(c).

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**12. LOANS AND BORROWINGS** (continued)

**(a) Term loans** (continued)

- (ii) On 18 March 2022, the Company received a letter of demand dated 16 March 2022 from OCBC's appointed solicitor Shook Lin & Bok, which claimed against the Company on the following:
- i. the outstanding rental sum of RM62.033 million as at 28 February 2022; and
  - ii. the Company is given seven days from the date hereon to regularise the said payment, failing which OCBC shall have no option but be compelled to declare and demand that the secured amount to be immediately due and payable.

On 5 May 2022, the Company had received a letter from OCBC, serving a put option notice in relation to the Term Financing-I Ijarah Muntahiah Bi Al-Tamlik (Term-i) ("Put Option Notice"). Pursuant to the Put Option Notice, the Company is required to settle an amount owing to OCBC of RM79.256 million together with late payment charges.

On 2 February 2023, OCBC had granted the Company an interim indulgence of time with certain conditions. The directors believe that the Company is able to reach a full and final settlement of the above amount outstanding with OCBC.

**(b) Lease liabilities**

The interest rate implicit in the leases is 7.65% (2021: 7.65%) per annum.

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

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Minimum lease payments:		
Not later than one year	18,651	12,339
Later than one year and not later than five years	55,298	59,563
Later than five years	<u>224,942</u>	<u>238,757</u>
	298,891	310,659
Less: Future finance charges	<u>(142,846)</u>	<u>(154,806)</u>
Present value of minimum lease payments	<u>156,045</u>	<u>155,853</u>
Present value of minimum lease payments:		
Not later than one year	7,079	356
Later than one year and not later than five years	3,819	12,657
Later than five years	<u>145,147</u>	<u>142,840</u>
	156,045	155,853
Less: Amount due within 12 months	<u>(7,079)</u>	<u>(356)</u>
Amount due after 12 months	<u>148,966</u>	<u>155,497</u>

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**12. LOANS AND BORROWINGS** (continued)

(c) Hire purchase payables

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Minimum lease payments:				
Not later than one year	738	999	52	82
Later than one year and not later than five years	55	852	-	52
	<u>793</u>	<u>1,851</u>	<u>52</u>	<u>134</u>
Less: Future finance charges	(152)	(106)	-	(5)
Present value of minimum lease payments	<u>641</u>	<u>1,745</u>	<u>52</u>	<u>129</u>
Present value of minimum lease payments:				
Not later than one year	624	944	52	78
Later than one year and not later than five years	17	801	-	51
	<u>641</u>	<u>1,745</u>	<u>52</u>	<u>129</u>
Less: Amount due within 12 months	<u>(624)</u>	<u>(944)</u>	<u>(52)</u>	<u>(78)</u>
Amount due after 12 months	<u>17</u>	<u>801</u>	<u>-</u>	<u>51</u>

Certain plant and machineries and motor vehicle of the Group and of the Company as disclosed in Note 5 are pledged for leases. Such leases do not have terms for renewal which would give the Company an option to purchase at nominal values at the end of lease term. The implicit rates of the leases ranging from 2.70% to 2.85% (2021: 2.70% to 2.85%) per annum.

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**13. DEFERRED TAX LIABILITIES**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	(2,644)	(9,601)
Recognised in profit or loss (Note 23)	1,456	6,957
	<u>(1,188)</u>	<u>(2,644)</u>
At 31 December	<u>(1,188)</u>	<u>(2,644)</u>

(a) The components of deferred tax assets/(liabilities) are as follows:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Deferred tax assets</b>		
Impairment losses on trade receivables	29	1,337
Unabsorbed capital allowances	-	134
Right-of-use assets	-	4
	<u>29</u>	<u>1,475</u>
<b>Deferred tax liabilities</b>		
Differences between the carrying amount of property plant and equipment and their tax bases	(1,217)	(4,088)
Provisions	-	(31)
	<u>(1,217)</u>	<u>(4,119)</u>
	<u>(1,188)</u>	<u>(2,644)</u>

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

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Unutilised tax losses	164,789	173,935	12,574	12,853
Unabsorbed capital allowances	1,545	8,223	1	1
Property, plant and equipment	6	13	-	-
Right-of-use assets	7,303	49	-	-
Provisions	1,534	722	-	-
	<u>175,177</u>	<u>182,942</u>	<u>12,575</u>	<u>12,854</u>
Potential deferred tax assets not recognised at 24% (2021: 24%)	<u>42,042</u>	<u>43,906</u>	<u>3,018</u>	<u>3,085</u>

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**13. DEFERRED TAX LIABILITIES** (continued)

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

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
2025	14,342	23,488	12,574	12,844
2026	37,034	37,034	-	-
2027	79,256	79,256	-	9
2028	34,157	34,157	-	-
	<u>164,789</u>	<u>173,935</u>	<u>12,574</u>	<u>12,853</u>

**14. TRADE AND OTHER PAYABLES**

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Non-current:</b>					
<b>Non-trade</b>					
Other payables		9,248	1,291	-	-
Amount owing to a subsidiary	(b)	-	-	1,120	1,120
		<u>9,248</u>	<u>1,291</u>	<u>1,120</u>	<u>1,120</u>



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**14. TRADE AND OTHER PAYABLES (continued)**

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Current:</b>					
<b>Trade</b>					
Trade payables	(a)	57,894	49,797	-	-
<b>Non-trade</b>					
Other payables		18,708	29,489	4,757	4,083
Accruals		22,443	17,053	83	71
Amount owing to a subsidiary	(b)	-	-	6,424	6,207
Amounts owing to related parties	(b)	10,020	5,543	376	376
Amount owing to a director	(b)	6,744	6,461	6,044	5,761
<b>Total trade and other payables (current)</b>		<u>115,809</u>	<u>108,343</u>	<u>17,684</u>	<u>16,498</u>
<b>Total trade and other payables (non-current and current)</b>		<u>125,057</u>	<u>109,634</u>	<u>18,804</u>	<u>17,618</u>

**(a) Trade payables**

The normal trade credit terms granted to the Group ranging from 30 to 60 days (2021: 30 to 60 days).

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

Included in amount owing to a subsidiary of the Company is advances from a subsidiary amounting to RM2.800 million (2021: RM2.800 million), which is non-trade in nature, unsecured, bears interest at a rate of 7% (2021: 7%) per annum and is repayable from 2019 to 2022. The amount classified in non-current liability is RM1.120 million (2021: RM1.120 million).

Include in amounts owing to related parties of the Group is advances from a related party amounting to RM9.542 million (2021: RM4.693 million) which is non-trade in nature, unsecured, bears interest at a rate of 7% (2021: Nil) per annum and is expected repayable upon demand and is expected to be settled in cash.

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

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**15. PROVISIONS**

	Legal claim RM'000	Zakat RM'000	Total RM'000
<b>Group</b>			
At 1 January 2021/31 December 2021/ 31 December 2022	<u>6,900</u>	<u>562</u>	<u>7,462</u>

**(a) Legal claim**

The provision is in relation to legal claim arose from the non-payment of the first progress claim by a subsidiary, namely Admuda Sdn. Bhd. ("ASB"), for the works done by a third party in relation to the design and construction of a sugar refinery factory. Further details are disclosed in Note 29(a).

**(b) Zakat**

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

**16. REVENUE**

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Revenue from contract customers:</b>				
Catering and catering related services	101,291	26,944	-	-
Warehousing revenue	5,919	5,309	-	-
Logistics related services	<u>1,638</u>	<u>1,319</u>	<u>-</u>	<u>-</u>
	108,848	33,572	-	-
<b>Revenue from other source:</b>				
Management fees	<u>-</u>	<u>-</u>	<u>280</u>	<u>-</u>
	<u>108,848</u>	<u>33,572</u>	<u>280</u>	<u>-</u>

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**16. REVENUE (continued)**

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

	<b>Catering and catering related services RM'000</b>	<b>Warehousing and logistic related services RM'000</b>	<b>Management fees RM'000</b>	<b>Total RM'000</b>
<b>Group</b>				
<b>2022</b>				
<b>Timing of revenue recognition:</b>				
At a point in time	101,291	1,219	-	102,510
Over time	-	6,338	-	6,338
	<u>101,291</u>	<u>7,557</u>	<u>-</u>	<u>108,848</u>
<b>2021</b>				
<b>Timing of revenue recognition:</b>				
At a point in time	26,944	976	-	27,920
Over time	-	5,652	-	5,652
	<u>26,944</u>	<u>6,628</u>	<u>-</u>	<u>33,572</u>
<b>Company</b>				
<b>2022</b>				
<b>Timing of revenue recognition:</b>				
Over time	-	-	280	-

**17. COST OF SALES**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Catering and catering related services	66,568	21,333
Warehousing	4,716	4,463
Logistics related services	1,269	957
	<u>72,553</u>	<u>26,753</u>

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**18. OTHER INCOME**

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Gain on disposal of property, plant and equipment	211	-	-	-
Gain on lease modification	-	57	-	-
Rental income	3	5	-	-
Others	284	93	5	10
	<u>498</u>	<u>155</u>	<u>5</u>	<u>10</u>

**19. FINANCE INCOME**

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest income on:				
- short-term deposits	12	91	-	38
- others	28	23	28	-
	<u>40</u>	<u>114</u>	<u>28</u>	<u>38</u>

**20. FINANCE COSTS**

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest expense on:				
- term loans	4,217	4,524	4,140	4,455
- lease liabilities	12,030	7,784	-	-
- hire purchase payables	13	178	5	8
- amount owing to a subsidiary	87	-	196	196
	<u>16,347</u>	<u>12,486</u>	<u>4,341</u>	<u>4,659</u>

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**21. LOSS BEFORE TAX**

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

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Auditors' remuneration:					
- Statutory audit fees					
- current year		308	307	90	125
- prior year		(1)	(138)	-	(1)
- Non-statutory audit fees		-	25	-	25
Bad debts written off		-	30	-	-
Deposits written off		160	35	-	-
Depreciation on property, plant and equipment		12,226	11,606	1	72
Employee benefits expense	22	34,722	17,869	1,096	1,217
Expenses relating to short-term leases		169	7,793	168	168
Expenses relating to low value assets		9	9	-	-
Impairment losses on trade and other receivables		821	245	-	-
Loss on lease modification		26	-	-	-
Net realised loss on foreign exchange		32	65	-	-
Net unrealised loss on foreign exchange		219	164	-	-
Reversal of impairment on trade receivables and other receivables		(80)	(1,957)	(342)	(30)

**22. EMPLOYEE BENEFITS EXPENSE**

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Salaries, bonus and other benefits	31,828	16,034	1,062	1,134
Defined contribution plan	2,894	1,835	34	83
	<u>34,722</u>	<u>17,869</u>	<u>1,096</u>	<u>1,217</u>

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**22. EMPLOYEE BENEFITS EXPENSE** (continued)

Included in employee benefits expense are:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Directors of the Company</b>				
Executive director				
- Fees	72	82	72	82
- Other emoluments	1,434	1,418	660	660
	<u>1,506</u>	<u>1,500</u>	<u>732</u>	<u>742</u>
Non-executive directors				
- Fees	240	275	240	275
<b>Director of the Subsidiaries</b>				
Executive director				
- Other emoluments	418	401	-	-
	<u>658</u>	<u>676</u>	<u>240</u>	<u>275</u>
	<u>2,164</u>	<u>2,176</u>	<u>972</u>	<u>1,017</u>

**23. INCOME TAX CREDIT**

The major components of income tax credit for the financial years ended 31 December 2022 and 31 December 2021 are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Statements of comprehensive income</b>				
<b>Current income tax:</b>				
- Current income tax charge	(47)	(52)	-	-
- Under provision in prior financial years	-	(75)	-	-
	<u>(47)</u>	<u>(127)</u>	<u>-</u>	<u>-</u>
<b>Deferred tax (Note 13):</b>				
- Origination and reversal of temporary differences	5,532	934	-	-
- (Under)/Over provision in prior financial years	(4,076)	6,023	-	-
	<u>1,456</u>	<u>6,957</u>	<u>-</u>	<u>-</u>
Income tax credit recognised in profit or loss	<u>1,409</u>	<u>6,830</u>	<u>-</u>	<u>-</u>

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**23. INCOME TAX CREDIT** (continued)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2021: 24%) of the estimated assessable profit for the financial year.

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Loss before tax	(19,053)	(54,472)	(5,495)	(6,786)
Tax at Malaysian statutory income tax rate of 24% (2020: 24%)	(4,572)	(13,073)	(1,319)	(1,629)
Income not subject to tax	(8)	(12)	(90)	(19)
Non-deductible expenses	959	3,099	1,476	1,646
Deferred tax assets not recognised during the financial year	-	9,104	-	2
Utilisation of deferred tax asset not recognised	(1,864)	-	(67)	-
Under/(Over) provision in prior financial years				
- current tax	-	75	-	-
- deferred tax	4,076	(6,023)	-	-
Income tax credit	(1,409)	(6,830)	-	-

**BRAHIM'S HOLDINGS BERHAD**  
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**24. FINANCIAL INSTRUMENTS**

**(a) Categories of financial instruments**

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

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

	<b>Carrying amount RM'000</b>	<b>AC RM'000</b>
<b>At 31 December 2022</b>		
<b>Financial assets</b>		
<b>Group</b>		
Trade and other receivables, net of prepayments	20,060	20,060
Cash and short-term deposits	8,173	8,173
	<u>28,233</u>	<u>28,233</u>
<b>Company</b>		
Other receivables	10,271	10,271
Cash and short-term deposits	1,965	1,965
	<u>12,236</u>	<u>12,236</u>
<b>Financial liabilities</b>		
<b>Group</b>		
Trade and other payables	(125,057)	(125,057)
Loans and borrowings	(243,557)	(243,557)
	<u>(368,614)</u>	<u>(368,614)</u>
<b>Company</b>		
Other payables	(18,804)	(18,804)
Loans and borrowings	(82,344)	(82,344)
	<u>(101,148)</u>	<u>(101,148)</u>



**BRAHIM'S HOLDINGS BERHAD**  
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**24. FINANCIAL INSTRUMENTS** (continued)

**(a) Categories of financial instruments** (continued)

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

	<b>Carrying amount RM'000</b>	<b>AC RM'000</b>
<b>At 31 December 2021</b>		
<b>Financial assets</b>		
<b>Group</b>		
Trade and other receivables, net of GST refundable and prepayments	13,239	13,239
Cash and short-term deposits	5,251	5,251
	<u>18,490</u>	<u>18,490</u>
<b>Company</b>		
Other receivables	10,381	10,381
Cash and short-term deposits	2,100	2,100
	<u>12,481</u>	<u>12,481</u>
<b>Financial liabilities</b>		
<b>Group</b>		
Trade and other payables	(109,634)	(109,634)
Loans and borrowings	(240,033)	(240,033)
	<u>(349,667)</u>	<u>(349,667)</u>
<b>Company</b>		
Other payables	(17,618)	(17,618)
Loans and borrowings	(78,281)	(78,281)
	<u>(95,899)</u>	<u>(95,899)</u>

**(b) Financial risk management**

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

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**24. FINANCIAL INSTRUMENTS (continued)**

**(b) Financial risk management (continued)**

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

**(i) Credit risk**

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

**Trade receivables**

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

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

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the profile of its trade receivables on an ongoing basis. As at the reporting date, the Group has a significant concentration of credit risk in the form of outstanding balances arising from the amount due from 1 (2021: 3) customer representing approximately 60% (2021: 61%) of the total trade receivables.

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

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**24. FINANCIAL INSTRUMENTS (continued)**

**(b) Financial risk management (continued)**

**(i) Credit risk (continued)**

**Trade receivables (continued)**

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

	<b>Expected credit loss rate %</b>	<b>Gross carrying amount at default RM'000</b>	<b>Impairment losses RM'000</b>
<b>Group</b>			
<b>At 31 December 2022</b>			
<b>Trade receivables</b>			
Current	0.45% to 1.71%	6,375	31
>30 days past due	0.55% to 1.99%	1,918	11
>60 days past due	0.48% to 3.09%	402	6
>90 days past due	0.92% to 13.35%	211	7
>120 days past due	3.52%	902	33
		<u>9,808</u>	<u>88</u>
Individually assessed		<u>12,320</u>	<u>5,258</u>
Total		<u><u>22,128</u></u>	<u><u>5,346</u></u>
<b>At 31 December 2021</b>			
<b>Trade receivables</b>			
Current	2.43% - 2.97%	675	18
>30 days past due	2.13% - 3.41%	254	7
>60 days past due	2.05% - 5.30%	230	10
>90 days past due	2.39% - 21.69%	171	26
>120 days past due	7.20% - 19.02%	734	85
		<u>2,064</u>	<u>146</u>
Individually assessed		<u>12,749</u>	<u>4,459</u>
Total		<u><u>14,813</u></u>	<u><u>4,605</u></u>

**BRAHIM'S HOLDINGS BERHAD**  
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**24. FINANCIAL INSTRUMENTS** (continued)

**(b) Financial risk management** (continued)

**(i) Credit risk** (continued)

**Other receivables and other financial assets**

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

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

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

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

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

**(ii) Liquidity risk**

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

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

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**24. FINANCIAL INSTRUMENTS (continued)**

**(b) Financial risk management (continued)**

**(ii) Liquidity risk (continued)**

**Maturity analysis**

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

	Contractual cash flows				Total RM'000
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	
<b>Group</b>					
<b>At 31 December 2022</b>					
Trade and other payables	125,057	115,809	9,371	-	125,180
Hire purchase payables	641	738	55	-	793
Lease liabilities	156,045	18,651	55,298	224,942	298,891
Term loans	86,871	91,088	-	-	91,088
	368,614	226,286	64,724	224,942	515,952
<b>At 31 December 2021</b>					
Trade and other payables	109,634	108,343	1,291	-	109,634
Hire purchase payables	1,745	999	852	-	1,851
Lease liabilities	155,853	12,339	59,563	238,757	310,659
Term loans	82,435	84,263	-	-	84,263
	349,667	205,944	61,706	238,757	506,407

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**24. FINANCIAL INSTRUMENTS (continued)**

**(b) Financial risk management (continued)**

**(ii) Liquidity risk (continued)**

**Maturity analysis (continued)**

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

	Contractual cash flows				Total RM'000
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	
<b>Company</b>					
<b>At 31 December 2022</b>					
Other payables	18,804	17,684	1,316	-	19,000
Hire purchase payables	52	52	-	-	52
Term loans	82,292	86,433	-	-	86,433
	101,148	104,169	1,316	-	105,485
<b>At 31 December 2021</b>					
Other payables	17,618	16,498	1,316	-	17,814
Hire purchase payables	129	82	52	-	134
Term loans	78,152	79,980	-	-	79,980
	95,899	96,560	1,368	-	97,928

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**24. FINANCIAL INSTRUMENTS (continued)**

**(b) Financial risk management (continued)**

**(iii) Foreign currency risk**

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

The Group's and the Company's unhedged financial assets and liabilities that are not denominated in their functional currency are as follows:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Financial assets and liabilities not held in functional currency:		
<b><u>Trade and other receivables</u></b>		
United States Dollar	-	88
	<u>                    </u>	<u>                    </u>
<b><u>Trade payable</u></b>		
United States Dollar	-	(186)
	<u>                    </u>	<u>                    </u>
<b><u>Loans and borrowings</u></b>		
United States Dollar	(4,579)	(4,283)
	<u>                    </u>	<u>                    </u>

**Sensitivity analysis for foreign currency risk**

The Group's principal foreign currency exposure relates mainly to United States Dollar ("USD").

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**24. FINANCIAL INSTRUMENTS (continued)**

**(b) Financial risk management (continued)**

**(iii) Foreign currency risk (continued)**

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonable possible change in the USD, with all other variables held constant on the Group's total equity and loss for the financial year.

	<b>Change in rate %</b>	<b>Effect on loss for the financial year RM'000</b>	<b>Effect on equity RM'000</b>
<b>Group</b>			
<b>At 31 December 2022</b>			
- USD	+15%	(522)	(522)
	-15%	522	522
<b>At 31 December 2021</b>			
- USD	+15%	(499)	(499)
	-15%	499	499

**(iv) Interest rate risk**

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

The term loan at floating rate amounting to RM82.292 million (2021: RM78.152 million) exposes the Group and the Company to cash flow interest rate risk.

Sensitivity analysis for interest rate risk

Interest bearing financial liabilities of the Group and of the Company are exposed to changes in market interest rates. If the interest rate had been 50 basis points higher/lower and all other variables held constant, the Group's and the Company's profit net of tax for the financial year ended 31 December 2022 would decrease/increase by RM0.313 million (2021: RM0.297 million) as a result of exposure to floating rate borrowings.



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**24. FINANCIAL INSTRUMENTS** (continued)

**(c) Fair value measurement**

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

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

There have been no transfers between Level 1 and Level 2 during the financial year (2021: no transfer in either directions).

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

	Carrying amount RM'000	Fair value of financial instruments not carried at fair value Level 2 RM'000
<b>Group</b>		
<b>31 December 2022</b>		
<b>Financial liabilities</b>		
Term loans	4,579	4,579
Hire purchase payables	641	641
	<u>4,579</u>	<u>4,579</u>
<b>31 December 2021</b>		
<b>Financial liabilities</b>		
Term loans	4,283	4,283
Hire purchase payables	1,745	1,745
	<u>4,283</u>	<u>4,283</u>

**25. CAPITAL COMMITMENTS**

The Group has made commitments for the following capital expenditures:

	Group	
	2022 RM'000	2021 RM'000
Approved and contracted for:		
Property, plant and equipment	-	12
	<u>-</u>	<u>12</u>

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**26. BANK GUARANTEES**

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Bank guarantee facilities in favour of third party creditors	2,318	2,724	1,600	1,600

The Group and the Company are exposed to credit risk in relation to bank guarantee given to certain parties for services rendered to the Group and the Company. The maximum exposure to credit risks amounts to RM2.318 million and RM1.600 million respectively (2021: RM2.724 million and RM1.600 million respectively) representing the maximum amount the Group and the Company could pay if the guarantee is called.

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

**27. RELATED PARTIES**

**(a) Identity of related parties**

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

Related parties of the Group include:

- (i) Subsidiaries as disclosed in Note 6;
- (ii) Corporate shareholders of subsidiaries and their related companies;
- (iii) Entities in which the directors have substantial financial interests;
- (iv) Key management personnel of the Group and of the Company, comprises persons (including directors) having the authority and responsibility for planning, diversifying and controlling the activities directly or indirectly.

**(b) Significant related party transactions**

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Subsidiaries</b>				
- Management fees	-	-	(280)	-
- Interest expense	-	-	196	196
- Rental and utilities expense	-	-	177	171

**BRAHIM'S HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**27. RELATED PARTIES** (continued)

**(b) Significant related party transactions** (continued)

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Corporate shareholder of a subsidiary</b>				
- Sales of goods and services	(68,626)	(12,584)	-	-
- Expenses charged:				
- Rental	12,694	7,982	-	-
- Supply of water	4,044	5,840	-	-
- Electricity	1,709	548	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Entities in which a director has substantial financial interests</b>				
- Purchase of supplies	<u>          5</u>	<u>          3</u>	<u>          -</u>	<u>          -</u>

**(c) Compensation of key management personnel**

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Short-term employee benefits	2,026	2,061	972	1,017
Post-employment employee benefits	138	115	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>2,164</u>	<u>2,176</u>	<u>972</u>	<u>1,017</u>

**BRAHIM'S HOLDINGS BERHAD**  
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**28. CAPITAL MANAGEMENT**

The Group and the Company manage their capital to ensure that it will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

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

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade and other payables	14	125,057	109,634	18,804	17,618
Loans and borrowings	12	243,557	240,033	82,344	78,281
Less: Cash and short-term deposits	10	<u>(8,173)</u>	<u>(5,251)</u>	<u>(1,965)</u>	<u>(2,100)</u>
Net debts		<u>360,441</u>	<u>344,416</u>	<u>99,183</u>	<u>93,799</u>
(Capital deficiency)/ Total equity		<u>(181,007)</u>	<u>(163,363)</u>	<u>10,105</u>	<u>15,600</u>
Debt-to-equity ratio		<u>*</u>	<u>*</u>	<u>982%</u>	<u>601%</u>

\* The calculation of gross debt-to-equity ratio is not meaningful to the Group.

**29. MATERIAL LITIGATIONS**

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

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

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

The claim is not expected to have any material impact on the earnings and net assets of the Group for the financial year ended 31 December 2022 as adequate provision had been made in the financial statements.

**BRAHIM'S HOLDINGS BERHAD**  
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**29. MATERIAL LITIGATIONS (continued)**

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

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

The claim is not expected to have any material impact on the earnings and net assets of the Group for the financial year ended 31 December 2022 as adequate provision had been made in the financial statements.

**Registration No. 198201002985 (82731-A)**

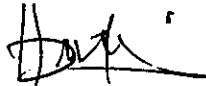
**BRAHIM'S HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS**

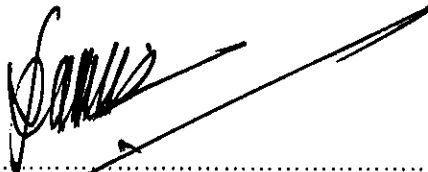
*Pursuant to Section 251(2) of the Companies Act 2016*

We, **DATO' SERI IBRAHIM BIN HAJI AHMAD** and **MEJAR DATO' ISMAIL BIN AHMAD**, being the two directors of Brahim's Holdings Berhad, do hereby state that in our opinion, the accompanying financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows for the financial year then ended.

Signed by the Board of Directors in accordance with a resolution of the directors:



.....  
**DATO' SERI IBRAHIM BIN HAJI AHMAD**  
Director



.....  
**MEJAR DATO' ISMAIL BIN AHMAD**  
Director

Kuala Lumpur

Date: 9 June 2023

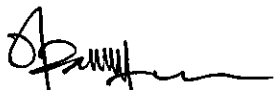
**Registration No. 198201002985 (82731-A)**

**BRAHIM'S HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**STATUTORY DECLARATION**

*Pursuant to Section 251(1) of the Companies Act 2016*

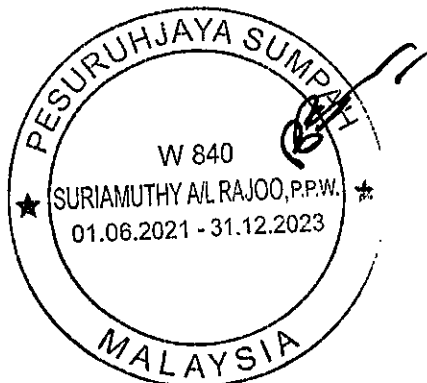
I, **MOHD FADHLI BIN ABDUL RAHMAN**, being the officer primarily responsible for the financial management of Brahim's Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



**MOHD FADHLI BIN ABDUL RAHMAN**  
MIA Membership No.: 44302

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 9 June 2023.

Before me,



Tingkat 20, Ambank Group Building  
No. 55, Jalan Raja Chulan  
50200 Kuala Lumpur

Baker Tilly Monteiro Heng PLT  
20190600600 (LLP0019411-LCA)  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BRAHIM'S HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**Report on the Audit of the Financial Statements**

**Qualified Opinion**

We have audited the financial statements of Brahim's Holdings Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 83.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

**Basis for Qualified Opinion**

1. As disclosed in Note 5(c) to the financial statements, the carrying amount of property, plant and equipment (including right-of-use assets) of cash generating unit of catering and catering related services as at the end of the financial year amounted to RM140.266 million with the corresponding lease liabilities of RM155.357 million.

The Group has performed an impairment assessment on its cash generating unit in order to determine its recoverable amount based on its value-in-use. With the improving outlook for airline and related industry, the Group expects the value-in-use of its cash generating unit to exceed the carrying amount and hence no further impairment.

As disclosed in Note 6(c) to the financial statements, included in the carrying amount of investment in subsidiaries is an investment of RM69.540 million in a subsidiary which is engaged in the business of providing catering and catering related services. The Company is of the view that no impairment is required for the investment in subsidiaries.

We were unable to obtain sufficient appropriate audit evidence in relation to key assumptions used in determining the recoverable amount of the property, plant and equipment of the Group and investment in subsidiaries of the Company. Therefore, we could not determine the effect of adjustment, if any, on the financial statements of the Group and of the Company respectively.

Our auditors' report on the financial statements for the financial year ended 31 December 2021 was also modified on the the recoverable amount of property, plant and equipment and investment in subsidiaries in relation to the said cash generating unit.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BRAHIM'S HOLDINGS BERHAD (continued)**  
(Incorporated in Malaysia)

**Basis for Qualified Opinion (continued)**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our Responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

*Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**Material Uncertainty Related to Going Concern**

We draw your attention to Note 2.7 to the financial statements, the financial statements of the Group and the Company have been prepared on the assumption that the Group and the Company will continue as going concerns. The application of going concern basis is based on the assumption that the Group and the Company will be able to realise their assets and discharge their liabilities in the normal course of business.

- (a) During the financial year ended 31 December 2022, the Group and the Company incurred a net loss of RM17.644 million and RM5.495 million respectively and as of that date, the Group's and the Company's current liabilities exceeded the current assets by RM184.778 million and RM87.792 million respectively and the Group recorded a capital deficiency of RM181.007 million.
- (b) 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") on 28 February 2019, as the shareholders' equity of the Group is less than RM40.000 million and is 25% or less of its issued and paid-up capital.

On 25 February 2022, the Company has submitted an application for a further extension of time to Bursa Securities ("EOT Application"). Bursa Securities had vide its letter dated 7 April 2022, rejected the EOT Application of the Company.

A written appeal against the de-listing was submitted to Bursa Securities on 14 April 2022 and the removal of the securities of the Company from the Official List of Bursa Securities is currently pending the decision by Bursa Securities on the appeal. The trading in the securities of the Company has been suspended with effect from 15 April 2022. On 31 May 2022, Bursa Securities dismissed the Company's appeal for EOT application to submit the regularisation plan to the relevant authorities and decided to de-list the Company pursuant to paragraph 8.04 of the Bursa Securities Main Market Listing Requirements. The securities of the Company were removed from the Official list of Bursa Securities on 3 June 2022.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BRAHIM'S HOLDINGS BERHAD (continued)**  
(Incorporated in Malaysia)

**Material Uncertainty Related to Going Concern (continued)**

- (c) As disclosed in Note 12(a)(ii), on 18 March 2022, the Company received a letter of demand dated 16 March 2022 from OCBC Al-Amin Berhad's ("OCBC") appointed solicitor which claimed against the Company on the following:
- i. the outstanding rental sum of RM62.033 million as at 28 February 2022; and
  - ii. the Company is given seven days from the date hereon to regularise the said payment, failing which OCBC shall have no option but be compelled to declare and demand that the secured amount to be immediately due and payable.

On 5 May 2022, the Company had received a letter from OCBC, serving a put option notice in relation to the Term Financing-I Ijarah Muntahiah Bi Al-Tamlik (Term-i) ("Put Option Notice"). Pursuant to the Put Option Notice, the Company is required to settle an amount owing to OCBC of RM79.256 million together with late payment charges.

On 2 February 2023, OCBC had granted the Company an interim indulgence of time with certain conditions. The directors believe that the Company is able to reach a full and final settlement of the above amount outstanding with OCBC.

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

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

- its ability to reach an amicable settlement with financial institution;
- its ability continue to operate profitably and continuous support from the lenders and suppliers; and
- potential divestment of assets.

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

Our opinion is not modified in respect of this matter.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BRAHIM'S HOLDINGS BERHAD (continued)**  
(Incorporated in Malaysia)

**Information Other than the Financial Statements and Auditors' Report Thereon**

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Directors' Report, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Statements**

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BRAHIM'S HOLDINGS BERHAD (continued)**  
(Incorporated in Malaysia)

**Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

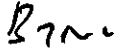
**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that in our opinion we have not obtained all the information and explanations that we required.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BRAHIM'S HOLDINGS BERHAD (continued)**  
(Incorporated in Malaysia)

**Other Matter**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

A handwritten signature in black ink, appearing to read "B. Heng".

Baker Tilly Monteiro Heng PLT  
201906000600 (LLP0019411-LCA) & AF 0117  
Chartered Accountants

A handwritten signature in black ink, appearing to read "Ng Boon Hiang".

Ng Boon Hiang  
No. 02916/03/2024 J  
Chartered Accountant

Kuala Lumpur

Date: 9 June 2023