

# **BRAHIM'S HOLDINGS BERHAD**

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

Reports and Financial Statements  
For The Financial Year Ended 31 December 2023

Company No.: 198201002985 (82731-A)

**BRAHIM'S HOLDINGS BERHAD**

(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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**BRAHIM'S HOLDINGS BERHAD**

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**CORPORATE INFORMATION**

|                               |   |  |
|-------------------------------|---|--|
| Board of Directors            | : | Dato' Seri Ibrahim Bin Haji Ahmad<br>Mejar Dato' Ismail Bin Ahmad<br>Ahmad Fahimi Bin Ibrahim<br>Mohd Fadhli Bin Abdul Rahman            |
| Company Secretary             | : | Nor Syahidah Binti Che Kamaruddin<br>Lisenced Secretary (LS)-LS0010016   |
| Registered Office / Principal | : | 7-05, 7th Floor, Menara Hap Seng<br>No 1 & 3, Jalan P Ramlee<br>50250 Kuala Lumpur   |
| Auditors                      | : | Afrizan Tarmili Khairul Azhar PLT<br>(LLP0031255-LCA) (AF 1300)<br>2, Jalan Rampai Niaga 2<br>Rampai Business Park<br>53300 Kuala Lumpur |
| Principal Bankers             | : | Malayan Banking Berhad<br>OCBC Bank  |

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## **BRAHIM'S HOLDINGS BERHAD**

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### **DIRECTORS' REPORT**

The directors of **BRAHIM'S HOLDINGS BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and the Company for the financial year ended 31 December 2023.

### **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.

### **FINANCIAL RESULTS**

|                                | <b>Group<br/>RM'000</b> | <b>Company<br/>RM'000</b> |
|--------------------------------|-------------------------|---------------------------|
| Net profit/(loss) for the year | <u>4,119</u>            | <u>(5,952)</u>            |
| Attributable to:               |                         |                           |
| Owners of the Company          | (3,363)                 | (5,952)                   |
| Non-controlling interests      | <u>7,482</u>            | -                         |
|                                | <u>4,119</u>            | <u>(5,952)</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 2023.

### **RESERVES AND PROVISIONS**

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

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## **BRAHIM'S HOLDINGS BERHAD**

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### **DIRECTORS' REPORT (CONT'D)**

#### **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.

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## **BRAHIM'S HOLDINGS BERHAD**

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### **DIRECTORS' REPORT (CONT'D)**

#### **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 RM178,000 and RM50,000 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**

There is no issuance of shares and debentures during the financial year.

#### **DIRECTORS**

The directors who in the office since the beginning of the financial year to the date of this report are as follows:

Dato' Seri Ibrahim Bin Haji Ahmad\*

Mejar Dato' Ismail Bin Ahmad

Ahmad Fahimi Bin Ibrahim\* (Alternate director to Dato' Seri Ibrahim Bin Haji Ahmad)

Mohd Fadli Bin Abdul Rahman

(Appointed on 31 May 2023)

\* Directors of the Company and certain subsidiaries

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**DIRECTORS' REPORT (CONT'D)**

**DIRECTORS (CONT'D)**

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:

Nur Fatin Binti Ibrahim  
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**

|                                   | As at<br>01.01.2023 | No. of ordinary shares<br>During the year |      | As at<br>31.12.2023 |
|-----------------------------------|---------------------|---|------|---------------------|
|                                   |                     | 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.

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**DIRECTORS' REPORT (CONT'D)**

**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<br/>RM'000</b> | <b>Company<br/>RM'000</b> |
|-------------------------------------|-------------------------|---------------------------|
| <b>Directors of the Company</b>     |                         |                           |
| Executive director                  |                         |                           |
| - Fees                              | 107                     | 107                       |
| - Other emoluments                  | 1,461                   | 660                       |
|                                     | <u>1,568</u>            | <u>767</u>                |
| Non-executive directors             |                         |                           |
| - Fees                              | 60                      | 60                        |
| <b>Director of the subsidiaries</b> |                         |                           |
| Executive director                  |                         |                           |
| - Other emoluments                  | 455                     | -                         |
|                                     | <u>2,083</u>            | <u>827</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 AND INSURANCE COSTS**

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



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**DIRECTORS' REPORT (CONT'D)**

**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 interests %</b> |
|---|--|---|-------------------------------------|
| Brahim's Dewina Investment Holdings Sdn.Bhd. ("BDIH") | 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.                      | Malaysia   | Catering and catering related services  | 35.7                                |

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**DIRECTORS' REPORT (CONT'D)**

**AUDITORS**

The auditors, Messrs. Afrizan Tarmili Khairul Azhar PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors,

DATO' SERI IBRAHIM BIN HAJI AHMAD

Director

MOHD FADHLI BIN ABDUL RAHMAN

Director

Date: 14 June 2024

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**BRAHIM'S HOLDINGS BERHAD**

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**STATEMENT BY DIRECTORS**

**PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016**

We, DATO' SERI IBRAHIM BIN HAJI AHMAD and MOHD FADHLI BIN ABDUL RAHMAN, being two of the Directors of Brahim's Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors,

DATO' SERI IBRAHIM BIN HAJI AHMAD

Director

MOHD FADHLI BIN ABDUL RAHMAN

Director

Kuala Lumpur, Malaysia

Date: 14 June 2024

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**BRAHIM'S HOLDINGS BERHAD**

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**STATUTORY DECLARATION**

**PURSUANT TO SECTION 251 (1) (b) OF THE COMPANIES ACT 2016**

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

Subscribed and solemnly declared by the }  
above named MOHD FADHLI BIN ABDUL }  
RAHMAN at Kuala Lumpur in the Federal }  
Territory on 14 June 2024 }

MOHD FADHLI BIN ABDUL RAHMAN

Before me,

Commissioner for Oaths

Kuala Lumpur, Malaysia

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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**

**Opinion**

We have audited the financial statements of Brahim's Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 14 to 96.

In our opinion, 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 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

**Basis for Opinion**

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 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 attention to Note 2.7 in the financial statements, which indicates that the Group had incurred a net profit of RM4.119 million while the company had incurred net loss of RM5.952 million and as of that date, the Group's and the Company's current liabilities exceeded the current assets by RM181.015 million and RM93.744 million respectively and the Group recorded a capital deficiency of RM176.888 million.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BRAHIM'S HOLDINGS BERHAD (CONT'D)**

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**Material Uncertainty Related to Going Concern (Cont'd)**

Additionally, during the year, OCBC had initiated a legal action against the Company pursuant to repayment default of Term Financing-Ijarah Muntahiah Bi Al-Tamlik facilities for an amount of RM80 million together with late payment charges.

As stated in Note 2.7, these events or conditions, along with other matters as set forth in Note 2.7, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

**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 other information 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 other information and, in doing so, consider whether the other information 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 other information, 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 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 or the Company or to cease operations, or have no realistic alternative but to do so.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BRAHIM'S HOLDINGS BERHAD (CONT'D)**

(Incorporated in Malaysia)

**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.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BRAHIM'S HOLDINGS BERHAD (CONT'D)**

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

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 the subsidiaries of which we have not acted as auditors, are disclosed in Note 14 to the financial statements.

**Other Matters**

1. The financial statements of the Group and the Company for the financial year ended 31 December 2022, were audited by another auditor who expressed qualified opinion on those statements on 9 June 2023.
2. 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 content of this report.

**AFRIZAN TARMILI KHAIRUL AZHAR PLT**  
(LLP0031255-LCA) (AF 1300)  
Chartered Accountants

**IMRAN AZAM SAFAR**  
03323/09/2025 J  
Chartered Accountant (M)  
Partner

Kuala Lumpur, Malaysia

Date: 14 June 2024



**BRAHIM'S HOLDINGS BERHAD**  
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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

|  | Note | Group          |                 | Company        |                |
|--|------|----------------|-----------------|----------------|----------------|
|  |      | 2023<br>RM'000 | 2022<br>RM'000  | 2023<br>RM'000 | 2022<br>RM'000 |
| Revenue  | 5    | 168,994        | 108,848         | 500            | 280            |
| Cost of sales  | 6    | (93,803)       | (72,553)        | -              | -              |
| <b>Gross profit</b>  |      | <b>75,191</b>  | <b>36,295</b>   | <b>500</b>     | <b>280</b>     |
| Other income   | 7    | 556            | 498             | -              | 5              |
| Administration expenses  |      | (50,769)       | (34,724)        | (1,534)        | (1,809)        |
| Impairment losses  |      |                |                 |                |                |
| on financial instruments   |      | (34)           | (821)           | -              | -              |
| Reversal of impairment losses  |      |                |                 |                |                |
| on financial instruments   |      | 2,373          | 80              | -              | 342            |
| Other expenses   |      | (3,748)        | (4,074)         | -              | -              |
| <b>Operating profit/(loss)</b>                                       |      | <b>23,569</b>  | <b>(2,746)</b>  | <b>(1,034)</b> | <b>(1,182)</b> |
| Finance income   | 8    | 17             | 40              | -              | 28             |
| Finance costs  | 9    | (16,554)       | (16,347)        | (4,918)        | (4,341)        |
| <b>Profit/(loss) before tax</b>                                      | 10   | <b>7,032</b>   | <b>(19,053)</b> | <b>(5,952)</b> | <b>(5,495)</b> |
| Taxation   | 12   | (2,848)        | 1,409           | -              | -              |
| Zakat  |      | (65)           | -               | -              | -              |
| <b>Total comprehensive profit/<br/>(loss) for the financial year</b> |      | <b>4,119</b>   | <b>(17,644)</b> | <b>(5,952)</b> | <b>(5,495)</b> |
| <b>Profit/(loss) attributable to:</b>                                |      |                |                 |                |                |
| Owners of the company  |      | (3,363)        | (10,751)        | (5,952)        | (5,495)        |
| Non-controlling interests  |      | 7,482          | (6,893)         | -              | -              |
|  |      | <b>4,119</b>   | <b>(17,644)</b> | <b>(5,952)</b> | <b>(5,495)</b> |
| <b>Total comprehensive profit/<br/>(loss) attributable to:</b>       |      |                |                 |                |                |
| Owners of the company  |      | (3,363)        | (10,751)        | (5,952)        | (5,495)        |
| Non-controlling interests  |      | 7,482          | (6,893)         | -              | -              |
|  |      | <b>4,119</b>   | <b>(17,644)</b> | <b>(5,952)</b> | <b>(5,495)</b> |

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

Company No.: 198201002985 (82731-A)

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

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023**

|                                 |      | Group          |         | Company        |         |
|---------------------------------|------|----------------|---------|----------------|---------|
|                                 |      | 2023           | 2022    | 2023           | 2022    |
|                                 | Note | RM'000         | RM'000  | RM'000         | RM'000  |
| <b>ASSETS</b>                   |      |                |         |                |         |
| <b>Non-current assets</b>       |      |                |         |                |         |
| Property, plant and equipment   | 13   | <b>152,012</b> | 163,106 | <b>1</b>       | 1       |
| Investment in subsidiaries      | 14   | -              | -       | <b>99,016</b>  | 99,016  |
| Goodwill                        | 15   | <b>84</b>      | 84      | -              | -       |
| Trade and other receivables     | 17   | -              | -       | -              | -       |
| <b>Total non-current assets</b> |      | <b>152,096</b> | 163,190 | <b>99,017</b>  | 99,017  |
| <b>Current assets</b>           |      |                |         |                |         |
| Inventories                     | 16   | <b>3,970</b>   | 3,827   | -              | -       |
| Tax assets                      |      | <b>585</b>     | 327     | -              | -       |
| Trade and other receivables     | 17   | <b>57,404</b>  | 20,750  | <b>8,976</b>   | 10,271  |
| Cash and short-term deposits    | 18   | <b>5,924</b>   | 8,173   | <b>2,002</b>   | 1,965   |
| <b>Total current assets</b>     |      | <b>67,883</b>  | 33,077  | <b>10,978</b>  | 12,236  |
| <b>TOTAL ASSETS</b>             |      | <b>219,979</b> | 196,267 | <b>109,995</b> | 111,253 |

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

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (CONT'D)**

|   |      | Group            |                  | Company        |                |
|---|------|------------------|------------------|----------------|----------------|
|   | Note | 2023<br>RM'000   | 2022<br>RM'000   | 2023<br>RM'000 | 2022<br>RM'000 |
| <b>EQUITY AND LIABILITIES</b>                       |      |                  |                  |                |                |
| <b>Equity attributable to owners of the Company</b> |      |                  |                  |                |                |
| Share capital                                       | 19   | 279,607          | 279,607          | 279,607        | 279,607        |
| Retained earnings                                   |      | (380,299)        | (376,936)        | (275,454)      | (269,502)      |
|   |      | <u>(100,692)</u> | <u>(97,329)</u>  | <u>4,153</u>   | <u>10,105</u>  |
| <b>Non-controlling interests</b>                    |      | <u>(76,196)</u>  | <u>(83,678)</u>  | <u>-</u>       | <u>-</u>       |
| <b>(CAPITAL DEFICIENCY)/</b>                        |      |                  |                  |                |                |
| <b>TOTAL EQUITY</b>                                 |      | <u>(176,888)</u> | <u>(181,007)</u> | <u>4,153</u>   | <u>10,105</u>  |
| <b>Non-current liabilities</b>                      |      |                  |                  |                |                |
| Loans and borrowings                                | 20   | 145,498          | 148,983          | -              | -              |
| Deferred tax liabilities                            | 21   | 2,471            | 1,188            | -              | -              |
| Other payables                                      | 22   | -                | 9,248            | 1,120          | 1,120          |
| <b>Total non-current liabilities</b>                |      | <u>147,969</u>   | <u>159,419</u>   | <u>1,120</u>   | <u>1,120</u>   |
| <b>Current liabilities</b>                          |      |                  |                  |                |                |
| Loans and borrowings                                | 20   | 94,912           | 94,574           | 86,012         | 82,344         |
| Provisions  | 23   | 9,044            | 7,462            | -              | -              |
| Tax liabilities                                     |      | -                | 10               | -              | -              |
| Trade and other payables                            | 22   | 144,942          | 115,809          | 18,710         | 17,684         |
| <b>Total current liabilities</b>                    |      | <u>248,898</u>   | <u>217,855</u>   | <u>104,722</u> | <u>100,028</u> |
| <b>TOTAL LIABILITIES</b>                            |      | <u>396,867</u>   | <u>377,274</u>   | <u>105,842</u> | <u>101,148</u> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 |      | <u>219,979</u>   | <u>196,267</u>   | <u>109,995</u> | <u>111,253</u> |

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

Company No.: 198201002985 (82731-A)

**BRAHIM'S HOLDINGS BERHAD**

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

|   | ← Attributable to owners of the Company → |                       |           |                                 |                         |
|---|---|-----------------------|-----------|---------------------------------|-------------------------|
|   | Share capital                             | Accumulated<br>losses | Sub-total | Non<br>controlling<br>interests | (Accumulated<br>losses) |
|   | RM'000                                    | RM'000                | RM'000    | RM'000                          | RM'000                  |
| <b>Group</b>  |   |                       |           |                                 |                         |
| <b>As at 1 January 2022</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<br>comprehensive loss for the financial year          | -   | (10,751)              | (10,751)  | (6,893)                         | (17,644)                |
| <b>As at 31 December 2022</b>   | 279,607                                   | (376,936)             | (97,329)  | (83,678)                        | (181,007)               |
| <b>Total comprehensive loss for the financial year</b>  |   |                       |           |                                 |                         |
| Profit/(loss) for the financial year, representing total<br>comprehensive loss for the financial year | -   | (3,363)               | (3,363)   | 7,482                           | 4,119                   |
| <b>As at 31 December 2023</b>   | 279,607                                   | (380,299)             | (100,692) | (76,196)                        | (176,888)               |

Company No.: 198201002985 (82731-A)

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

**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

|  | <- Attributable to owners of the Company -> |                             |                    |
|--|---|-----------------------------|--------------------|
|  | Share<br>capital<br>RM                      | Accumulated<br>losses<br>RM | Total equity<br>RM |
| <b>Company</b>   |   |                             |                    |
| <b>As at 1 January 2022</b>  | 279,607                                     | (264,007)                   | 15,600             |
| <b>Total comprehensive loss<br/>for the financial year</b>                                   |   |                             |                    |
| Loss for the financial year, representing<br>total comprehensive loss for the financial year | -   | (5,495)                     | (5,495)            |
| <b>As at 31 December 2022</b>  | <u>279,607</u>                              | <u>(269,502)</u>            | <u>10,105</u>      |
| <b>Total comprehensive loss<br/>for the financial year</b>                                   |   |                             |                    |
| Loss for the financial year, representing<br>total comprehensive loss for the financial year | -   | (5,952)                     | (5,952)            |
| <b>As at 31 December 2023</b>  | <u>279,607</u>                              | <u>(275,454)</u>            | <u>4,153</u>       |

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

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

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

|  | Note | Group           |                | Company        |                |
|--|------|-----------------|----------------|----------------|----------------|
|  |      | 2023<br>RM'000  | 2022<br>RM'000 | 2023<br>RM'000 | 2022<br>RM'000 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |      |                 |                |                |                |
| Profit/(Loss) before taxation  |      | <b>7,032</b>    | (19,053)       | <b>(5,952)</b> | (5,495)        |
| <i>Adjustment for:-</i>  |      |                 |                |                |                |
| Deposits written off   |      | -               | 160            | -              | -              |
| Depreciation of property,<br>plant and equipment                     | 13   | <b>12,670</b>   | 12,226         | -              | 1              |
| Finance costs  | 9    | <b>16,554</b>   | 16,347         | <b>4,918</b>   | 4,341          |
| Finance income   |      | <b>(17)</b>     | (40)           | -              | (28)           |
| Gain on disposal of property,<br>plant and equipment                 |      | <b>(85)</b>     | (211)          | -              | -              |
| Loss/(Gain) on lease   |      | -               | 26             | -              | -              |
| Impairment losses on trade<br>and other receivables                  |      | <b>43</b>       | 821            | -              | -              |
| Net unrealised foreign<br>exchange loss                              |      | <b>209</b>      | 219            | -              | -              |
| Reversal of impairment<br>losses on:                                 |      |                 |                |                |                |
| - trade receivable   |      | <b>(2,373)</b>  | (80)           | -              | -              |
| - amount owing by subsidiaries                                       |      | -               | -              | -              | (342)          |
| <b>Operating profit/(loss) before<br/>changes in working capital</b> |      | <b>34,033</b>   | 10,415         | <b>(1,034)</b> | (1,523)        |
| Changes in working capital:  |      |                 |                |                |                |
| Inventory  |      | <b>(143)</b>    | (1,417)        | -              | -              |
| Trade and other receivables  |      | <b>(33,962)</b> | (8,357)        | <b>(2)</b>     | (7)            |
| Trade and other payables   |      | <b>4,851</b>    | 10,663         | <b>750</b>     | 685            |
| Net cash generated from/(used<br>in) operations                      |      | <b>4,779</b>    | 11,304         | <b>(286)</b>   | (845)          |
| Income tax refunded/(paid)   |      | <b>(47)</b>     | 581            | -              | -              |
| Interest received  |      | <b>17</b>       | 40             | -              | 28             |
| Interest paid  |      | <b>(6,081)</b>  | (209)          | <b>(3)</b>     | (5)            |
| Net cash (used in)/generated<br>from operating activities            |      | <b>(1,332)</b>  | 11,716         | <b>(289)</b>   | (822)          |

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

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

|   | Note | Group               |                     | Company          |                  |
|---|------|---------------------|---------------------|------------------|------------------|
|   |      | 2023<br>RM'000      | 2022<br>RM'000      | 2023<br>RM'000   | 2022<br>RM'000   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                               |      |                     |                     |                  |                  |
| Change in pledged deposits  |      | 3                   | (28)                | 3                | (28)             |
| Proceeds from disposal of property, plant and equipment                   |      | -                   | 211                 | -                | -                |
| Purchase of property, plant and equipment                                 | (a)  | (931)               | (363)               | -                | -                |
| Repayments from subsidiaries  |      | -                   | -                   | 1,338            | 459              |
| Repayments from related parties   |      | 237                 | 396                 | -                | -                |
| Net cash (used in)/generated from investing activities                    |      | <u>(691)</u>        | <u>216</u>          | <u>1,341</u>     | <u>431</u>       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                               |      |                     |                     |                  |                  |
| Repayments of hire purchase   | (b)  | (627)               | (1,104)             | (52)             | (77)             |
| Payments of lease liabilities   |      | (2,884)             | (12,694)            | -                | -                |
| Repayments of term loans  |      | (1,000)             | -                   | (1,000)          | -                |
| Advances from a subsidiary  |      | -                   | -                   | -                | 22               |
| Advances from related parties   |      | 4,250               | 4,477               | -                | -                |
| Advances from director  |      | 40                  | 283                 | 40               | 283              |
| Net cash (used in)/generated from financing activities                    |      | <u>(221)</u>        | <u>(9,038)</u>      | <u>(1,012)</u>   | <u>228</u>       |
| <b>Net changes in cash and cash equivalents during the financial year</b> |      | <b>(2,244)</b>      | <b>2,894</b>        | <b>40</b>        | <b>(163)</b>     |
| <b>Cash and cash equivalents at beginning of the financial year</b>       |      | <b>4,981</b>        | <b>2,087</b>        | <b>50</b>        | <b>213</b>       |
| <b>Cash and cash equivalents at end of the financial year</b>             | 18   | <b><u>2,737</u></b> | <b><u>4,981</u></b> | <b><u>90</u></b> | <b><u>50</u></b> |

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

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

(a) Purchase of property, plant and equipment:

|  | <b>Group</b>                 |                              |
|--|------------------------------|------------------------------|
|  | <b>2023</b><br><b>RM'000</b> | <b>2022</b><br><b>RM'000</b> |
| Purchase of property, plant and equipment                  | <b>1,576</b>                 | 1,328                        |
| Financed by way of lease arrangements                      | <b>(645)</b>                 | (965)                        |
|  | <hr/>                        | <hr/>                        |
| Cash payments on purchase of property, plant and equipment | <b>931</b>                   | 363                          |
|  | <hr/>                        | <hr/>                        |

(b) Reconciliation of liabilities arising from financing activities:

|                                 | <b>1 January</b><br><b>2023</b><br><b>RM'000</b> | <b>Cash</b><br><b>flows</b><br><b>RM'000</b> | <b>Non-cash</b><br><b>Others</b><br><b>RM'000</b> | <b>31 December</b><br><b>2023</b><br><b>RM'000</b> |
|---------------------------------|--|--|---|--|
| <b>Group</b>                    |  |  |   |  |
| Hire purchase payables          | 641  | (627)  | -   | 14   |
| Lease liabilities               | 156,045  | (2,884)                                      | (3,647)   | 149,514  |
| Term loans                      | 86,871   | (1,000)                                      | 5,011   | 90,882   |
| Amount owing to related parties | 10,020   | 4,250  | 235   | 14,505   |
| Amount owing to a director      | 6,744  | 40   | -   | 6,784  |
|                                 | <hr/>  | <hr/>  | <hr/>   | <hr/>  |
|                                 | <b>260,321</b>                                   | <b>(221)</b>                                 | <b>1,599</b>                                      | <b>261,699</b>                                     |
|                                 | <hr/>  | <hr/>  | <hr/>   | <hr/>  |
| <b>Company</b>                  |  |  |   |  |
| Hire purchase payables          | 52   | (52)   | -   | -  |
| Term loans                      | 82,292   | 3,719  | -   | 86,011   |
| Amount owing to a subsidiary    | 7,544  | 237  | -   | 7,781  |
| Amount owing to a director      | 6,044  | 40   | -   | 6,084  |
|                                 | <hr/>  | <hr/>  | <hr/>   | <hr/>  |
|                                 | <b>95,932</b>                                    | <b>3,944</b>                                 | <b>-</b>  | <b>99,876</b>                                      |
|                                 | <hr/>  | <hr/>  | <hr/>   | <hr/>  |



Company No.: 198201002985 (82731-A)

**BRAHIM'S HOLDINGS BERHAD**  
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**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

(b) Reconciliation of liabilities arising from financing activities (cont'd)

|                                 | <b>1 January<br/>2022<br/>RM'000</b> | <b>Cash<br/>flows<br/>RM'000</b> | <b>Non-cash<br/>Others<br/>RM'000</b> | <b>31 December<br/>2022<br/>RM'000</b> |
|---------------------------------|--------------------------------------|----------------------------------|---------------------------------------|--|
| <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                                 |
| Amount owing to related parties | 5,543                                | 4,477                            | -                                     | 10,020                                 |
| Amount owing to a director      | 6,461                                | 283                              | -                                     | 6,744                                  |
|                                 | <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      | 5,761                                | 283                              | -                                     | 6,044                                  |
|                                 | <u>91,369</u>                        | <u>228</u>                       | <u>4,335</u>                          | <u>95,932</u>                          |

Company No.: 198201002985 (82731-A)

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

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

(c) Total cash outflows for leases as a lessee

|   | Note | Group          |                | Company        |                |
|---|------|----------------|----------------|----------------|----------------|
|   |      | 2023<br>RM'000 | 2022<br>RM'000 | 2023<br>RM'000 | 2022<br>RM'000 |
| <b>Included in net cash<br/>used in operating<br/>activities:</b> |      |                |                |                |                |
| Payments relating to<br>short-term leases                         | 10   | <b>200</b>     | 169            | <b>202</b>     | 168            |
| Payments relating to low<br>value assets                          | 10   | <b>9</b>       | 9              | -              | -              |
| Interest paid in relation to<br>lease liabilities                 |      | <b>6,002</b>   | 109            | -              | -              |
| <b>Included in net cash<br/>used in financing<br/>activities:</b> |      |                |                |                |                |
| Repayment of lease<br>liabilities                                 |      | <b>2,844</b>   | 12,694         | -              | -              |
| <b>Total cash outflows for<br/>leases</b>                         |      | <b>9,055</b>   | 12,981         | <b>202</b>     | 168            |

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

Company No.: 198201002985 (82731-A)

**BRAHIM'S HOLDINGS BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

**1. GENERAL 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 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 14.

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

**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:

New amendments/improvements to MFRSs

|          |   |
|----------|---|
| MFRS 17  | Insurance Contract  |
| MFRS 101 | Presentation of Financial Statement                             |
| MFRS 108 | Accounting Policies, Changes in Accounting Estimates and Errors |
| MFRS 112 | Income Taxes  |

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 policy.

Company No.: 198201002985 (82731-A)

**BRAHIM'S HOLDINGS BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**2. BASIS OF PREPARATION (CONT'D)**

**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:

|   |   | <b>Effective for<br/>financial<br/>periods<br/>beginning on<br/>or after</b> |
|---|---|--|
| <u>New MFRS</u>                         |   |  |
| MFRS 7                                  | Financial Instruments: Disclosures              | 1 January 2024   |
| MFRS 16                                 | Leases  | 1 January 2024   |
| MFRS 107                                | Statement of Cash Flow                          | 1 January 2024   |
| MFRS 121                                | The Effect of Changes in Foreign Exchange Rates | 1 January 2025   |
| <u>Amendments/Improvements to MFRSs</u> |   |  |
| MFRS 10                                 | Consolidated Financial Statements               | Deferred   |
| MFRS 101                                | Presentation of Financial Statements            | 1 January 2024   |
| MFRS 128                                | Investments in Associates and Joint Ventures    | Deferred   |

**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.

**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.

**BRAHIM'S HOLDINGS BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**2. BASIS OF PREPARATION (CONT'D)**

**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**

- (a) During the financial year ended 31 December 2023, the Group had incurred a net profit of RM4.119 million while the company had incurred net loss RM5.952 million as of that date, the Group's and the Company's current liabilities exceeded the current assets by RM181.015 million and RM93.744 million respectively and the Group recorded a capital deficiency of RM176.888 million.
- (b) As disclosed in Note 20(a)(ii), the Company received a letter of demand dated 16 March 2022 from OCBC AI-Amin Berhad's ("OCBC") appointed solicitor in relation to the Term Financing-I Ijarah Muntahiah Bi AI-Tamlik (Term-i) which claimed against the Company on the following:
- i. the outstanding sum of RM62.033 million as at 28 February 2022; and
  - ii. within 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.

Subsequently, on 5 May 2022, the Company received a letter from OCBC, serving a put option notice ("Put Option Notice") that required the Company to settle an amount owing to OCBC of RM80 million together with late payment charges.

During the year, OCBC initiated a legal action and the first hearing was held on 6 June 2024. At the reporting date, the matter is still on-going.

Company No.: 198201002985 (82731-A)

**BRAHIM'S HOLDINGS BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**2. BASIS OF PREPARATION (CONT'D)**

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.

Notwithstanding the above, the financial statements of the Group and the Company have been prepared on a going concern basis. The going concern assumption is highly dependent on the ability of the Company:

- to reach an amicable settlement with financial institution
- continue to operate profitably and continuous support from the lenders and suppliers;
- to source out new funding or investors; and
- monetise on 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.

**3. MATERIAL 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.

**BRAHIM'S HOLDINGS BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.1 Basis of consolidation (cont'd)**

**(a) Subsidiaries and business combination (cont'd)**

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.

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.

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**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.1 Basis of consolidation (cont'd)**

**(a) Subsidiaries and business combination (cont'd)**

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.



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**NOTES TO THE FINANCIAL STATEMENTS  
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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.1 Basis of consolidation (cont'd)**

**(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).

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.4 Financial instruments (cont'd)**

**(a) Subsequent measurement (cont'd)**

**(i) Financial assets (cont'd)**

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).

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.4 Financial instruments (cont'd)**

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

Trade date accounting refers to:

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

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

**(c) Derecognition**

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

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.4 Financial instruments (cont'd)**

**(c) Derecognition (cont'd)**

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

**(d) Offsetting of financial instruments**

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

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

**3.5 Property, plant and equipment**

**(a) Recognition and measurement**

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.5 Property, plant and equipment (cont'd)**

**(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 the 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.

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

|  |   |
|--|---|
| Warehouse building and improvements  | over the remaining lease period of 52 years |
| Container, 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.

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.6 Leases**

**(a) Definition of lease**

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

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

**(b) Lessee accounting**

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

The Group and the Company present right-of-use assets in Note 13 and lease liabilities in Note 20.

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).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.6 Leases (cont'd)**

**(b) Lessee accounting (cont'd)**

Lease liability

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

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

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

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

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

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



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**NOTES TO THE FINANCIAL STATEMENTS  
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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.6 Leases (cont'd)**

**(b) Lessee accounting (cont'd)**

Lease liability (cont'd)

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).

**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.

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**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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**NOTES TO THE FINANCIAL STATEMENTS  
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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.10 Impairment of assets (cont'd)**

**(a) Impairment of financial assets (cont'd)**

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.

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.10 Impairment of assets (cont'd)**

**(a) Impairment of financial assets (cont'd)**

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

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

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

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

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

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

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group 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.

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.10 Impairment of assets (cont'd)**

**(b) Impairment of non-financial assets (cont'd)**

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

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

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

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

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**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.11 Share capital**

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

**3.12 Provisions**

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

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

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

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

**3.13 Employee benefits**

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.13 Employee benefits (cont'd)**

**(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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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.14 Revenue and other income (cont'd)**

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.



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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.14 Revenue and other income (cont'd)**

**(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.

**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.

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**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.16 Income tax (cont'd)**

**(b) Deferred tax (cont'd)**

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

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

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.16 Income tax (cont'd)**

**(c) Sales and services tax**

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

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

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

**(d) Zakat**

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

**3.17 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.

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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.17 Fair value measurements (cont'd)**

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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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**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 13.

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)**

**(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 14.

**5. REVENUE**

|   | <b>Group</b>   |               | <b>Company</b> |               |
|---|----------------|---------------|----------------|---------------|
|   | <b>2023</b>    | <b>2022</b>   | <b>2023</b>    | <b>2022</b>   |
|   | <b>RM'000</b>  | <b>RM'000</b> | <b>RM'000</b>  | <b>RM'000</b> |
| <b>Revenue from contract customers:</b> |                |               |                |               |
| Catering and catering related services  | <b>163,424</b> | 101,291       | -              | -             |
| Warehousing revenue                     | <b>4,100</b>   | 5,919         | -              | -             |
| Logistics related services              | <b>1,470</b>   | 1,638         | -              | -             |
|   | <b>168,994</b> | 108,848       | -              | -             |
| <b>Revenue from other source:</b>       |                |               |                |               |
| Management fees                         | -              | -             | <b>500</b>     | 280           |
|   | <b>168,994</b> | 108,848       | <b>500</b>     | 280           |

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**5. REVENUE (CONT'D)**

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

|                                | <b>Catering<br/>and<br/>catering<br/>related<br/>services<br/>RM'000</b> | <b>Warehousing<br/>and logistic<br/>related<br/>services<br/>RM'000</b> | <b>Management<br/>fees<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--------------------------------|--|---|---------------------------------------|-------------------------|
| <b>Group</b>                   |  |   |                                       |                         |
| <b>2023</b>                    |  |   |                                       |                         |
| Timing of revenue recognition: |  |   |                                       |                         |
| At a point in time             | 163,422  | 1,470   | -                                     | 164,892                 |
| Over time                      | 2  | 4,100   | -                                     | 4,102                   |
|                                | <u>163,424</u>   | <u>5,570</u>  | <u>-</u>                              | <u>168,994</u>          |
| <b>2022</b>                    |  |   |                                       |                         |
| Timing of revenue recognition: |  |   |                                       |                         |
| 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>Company</b>                 |  |   |                                       |                         |
| <b>2023</b>                    |  |   |                                       |                         |
| Timing of revenue recognition: |  |   |                                       |                         |
| Over time                      | -  | -   | 500                                   | 500                     |
|                                | <u>-</u>   | <u>-</u>  | <u>500</u>                            | <u>500</u>              |
| <b>Company</b>                 |  |   |                                       |                         |
| <b>2022</b>                    |  |   |                                       |                         |
| Timing of revenue recognition: |  |   |                                       |                         |
| Over time                      | -  | -   | 280                                   | 280                     |
|                                | <u>-</u>   | <u>-</u>  | <u>280</u>                            | <u>280</u>              |

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**6. COST OF SALES**

|  | <b>Group</b>         |               |
|--|----------------------|---------------|
|  | <b>2023</b>          | <b>2022</b>   |
|  | <b>RM'000</b>        | <b>RM'000</b> |
| Catering and catering related services | <b>88,679</b>        | 66,568        |
| Warehousing                            | <b>3,963</b>         | 4,716         |
| Logistics related services             | <b>1,161</b>         | 1,269         |
|  | <b><u>93,803</u></b> | <u>72,553</u> |

**7. OTHER INCOME**

|   | <b>Group</b>      |               | <b>Company</b> |               |
|---|-------------------|---------------|----------------|---------------|
|   | <b>2023</b>       | <b>2022</b>   | <b>2023</b>    | <b>2022</b>   |
|   | <b>RM'000</b>     | <b>RM'000</b> | <b>RM'000</b>  | <b>RM'000</b> |
| Gain on disposal of property, plant and equipment | <b>85</b>         | 211           | -              | -             |
| Gain on lease modification                        | <b>80</b>         | -             | -              | -             |
| Rental income                                     | <b>5</b>          | 3             | -              | -             |
| Others  | <b>386</b>        | 284           | -              | 5             |
|   | <b><u>556</u></b> | <u>498</u>    | <u>-</u>       | <u>5</u>      |

**8. FINANCE INCOME**

|                       | <b>Group</b>     |               | <b>Company</b> |               |
|-----------------------|------------------|---------------|----------------|---------------|
|                       | <b>2023</b>      | <b>2022</b>   | <b>2023</b>    | <b>2022</b>   |
|                       | <b>RM'000</b>    | <b>RM'000</b> | <b>RM'000</b>  | <b>RM'000</b> |
| Interest income on:   |                  |               |                |               |
| - short-term deposits | <b>17</b>        | 12            | -              | -             |
| - others              | <b>-</b>         | 28            | -              | 28            |
|                       | <b><u>17</u></b> | <u>40</u>     | <u>-</u>       | <u>28</u>     |



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**9. FINANCE COSTS**

|                                | <b>Group</b>         |               | <b>Company</b>      |               |
|--------------------------------|----------------------|---------------|---------------------|---------------|
|                                | <b>2023</b>          | <b>2022</b>   | <b>2023</b>         | <b>2022</b>   |
|                                | <b>RM'000</b>        | <b>RM'000</b> | <b>RM'000</b>       | <b>RM'000</b> |
| Interest expense on:           |                      |               |                     |               |
| - term loans                   | <b>4,802</b>         | 4,217         | <b>4,719</b>        | 4,140         |
| - lease liabilities            | <b>11,595</b>        | 12,030        | -                   | -             |
| - hire purchase payables       | <b>34</b>            | 13            | <b>3</b>            | 5             |
| - amount owing to a subsidiary | <b>123</b>           | 87            | <b>196</b>          | 196           |
|                                | <b><u>16,554</u></b> | <u>16,347</u> | <b><u>4,918</u></b> | <u>4,341</u>  |

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**10. PROFIT/(LOSS) BEFORE TAX**

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

|   |      | Group          |                | Company        |                |
|---|------|----------------|----------------|----------------|----------------|
|   | Note | 2023<br>RM'000 | 2022<br>RM'000 | 2023<br>RM'000 | 2022<br>RM'000 |
| Auditors' remuneration  |      |                |                |                |                |
| - Statutory audit fees  |      |                |                |                |                |
| - current year  |      | 178            | 308            | 50             | 90             |
| - prior year  |      | (5)            | (1)            | -              | -              |
| Deposits written off  |      | -              | 160            | -              | -              |
| Depreciation on property, plant and equipment                     | 13   | 12,670         | 12,226         | -              | 1              |
| Employee benefits expense   | 11   | 44,621         | 34,722         | 1,160          | 1,096          |
| Expenses relating to short-term leases                            |      | 200            | 169            | 202            | 168            |
| Expenses relating to low value assets                             |      | 9              | 9              | -              | -              |
| Impairment losses on trade and other receivables                  |      | 10             | 821            | -              | -              |
| Loss on lease modification  |      | -              | 26             | -              | -              |
| Net realised loss on foreign exchange                             |      | 112            | 32             | -              | -              |
| Net unrealised loss on foreign exchange                           |      | 209            | 219            | -              | -              |
| Reversal of impairment on trade receivables and other receivables |      | (2,373)        | (80)           | -              | (342)          |

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**11. EMPLOYEE BENEFITS EXPENSE**

|                                    | <b>Group</b>  |               | <b>Company</b> |               |
|------------------------------------|---------------|---------------|----------------|---------------|
|                                    | <b>2023</b>   | <b>2022</b>   | <b>2023</b>    | <b>2022</b>   |
|                                    | <b>RM'000</b> | <b>RM'000</b> | <b>RM'000</b>  | <b>RM'000</b> |
| Salaries, bonus and other benefits | <b>41,223</b> | 31,828        | <b>1,125</b>   | 1,062         |
| Defined contribution plan          | <b>3,398</b>  | 2,894         | <b>35</b>      | 34            |
|                                    | <b>44,621</b> | 34,722        | <b>1,160</b>   | 1,096         |

Included in employee benefits expense are:

|                                      | <b>Group</b>  |               | <b>Company</b> |               |
|--------------------------------------|---------------|---------------|----------------|---------------|
|                                      | <b>2023</b>   | <b>2022</b>   | <b>2023</b>    | <b>2022</b>   |
|                                      | <b>RM'000</b> | <b>RM'000</b> | <b>RM'000</b>  | <b>RM'000</b> |
| <b>Directors of the Company</b>      |               |               |                |               |
| Executive director                   |               |               |                |               |
| - Fees                               | <b>107</b>    | 72            | <b>107</b>     | 72            |
| - Other emoluments                   | <b>1,461</b>  | 1,434         | <b>660</b>     | 660           |
|                                      | <b>1,568</b>  | 1,506         | <b>767</b>     | 732           |
| Non executive directors              |               |               |                |               |
| - Fees                               | <b>60</b>     | 240           | <b>60</b>      | 240           |
| <b>Directors of the subsidiaries</b> |               |               |                |               |
| Executive director                   |               |               |                |               |
| - Other emoluments                   | <b>455</b>    | 418           | <b>-</b>       | -             |
|                                      | <b>515</b>    | 658           | <b>60</b>      | 240           |
|                                      | <b>2,083</b>  | 2,164         | <b>827</b>     | 972           |

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**12. TAXATION**

The major components of income tax credit for the financial years ended 31 December 2023 and 31 December 2022 are as follows:

|  | <b>Group</b>   |                |
|--|----------------|----------------|
|  | <b>2023</b>    | <b>2022</b>    |
|  | <b>RM'000</b>  | <b>RM'000</b>  |
| <b>Statement of comprehensive income</b>                 |                |                |
| <b>Current income tax</b>                                | <b>(49)</b>    | <b>(47)</b>    |
| <b>Deferred tax (Note 21)</b>                            |                |                |
| - Origination and reversal of temporary differences      | <b>(1,283)</b> | 5,532          |
| - Under provision in prior financial year                | <b>(1,516)</b> | <b>(4,076)</b> |
|  | <b>(2,799)</b> | <b>1,456</b>   |
| Income tax expense/(credit) recognised in profit or loss | <b>(2,848)</b> | <b>1,409</b>   |

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**12. TAXATION (CONT'D)**

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year.

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

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2023<br>RM'000 | 2022<br>RM'000 | 2023<br>RM'000 | 2022<br>RM'000 |
| Profit/(Loss) before tax                                      | <b>7,032</b>   | (19,053)       | <b>(5,952)</b> | (5,495)        |
| Tax at Malaysian statutory income tax rate of 24% (2022: 24%) | <b>1,688</b>   | (4,572)        | <b>(1,429)</b> | (1,319)        |
| Income not subject to tax                                     | <b>(50)</b>    | (8)            | <b>(120)</b>   | (90)           |
| Non-deductible expenses                                       | <b>1,186</b>   | 959            | <b>1,168</b>   | 1,476          |
| Deferred tax assets not recognised during the financial year  | -              | -              | <b>381</b>     | -              |
| Utilisation of deferred tax asset not recognised              | <b>(1,492)</b> | (1,864)        | -              | (67)           |
| Under/(Over) provision in prior financial years               |                |                |                |                |
| - current tax   | -              | -              | -              | -              |
| - deferred tax  | <b>1,516</b>   | 4,076          | -              | -              |
| Income tax expense/(credit)                                   | <b>2,848</b>   | (1,409)        | -              | -              |

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**13. PROPERTY, PLANT AND EQUIPMENT**

|                     | Warehouse<br>building and<br>improvements<br>RM'000 | Containers,<br>pallets, plant and<br>machinery<br>RM'000 | Renovation<br>and electrical<br>installations<br>RM'000 | Signboard, furniture<br>and fittings, EDP<br>equipment and office<br>equipment<br>RM'000 | Motor vehicles,<br>lorries and trucks<br>RM'000 | Capital work-<br>in-progress<br>RM'000 | Right-of-use<br>assets<br>RM'000 | Total<br>RM'000 |
|---------------------|---|--|---|--|---|--|----------------------------------|-----------------|
| <b>Group</b>        |   |  |   |  |   |  |                                  |                 |
| <b>2023</b>         |   |  |   |  |   |  |                                  |                 |
| <b>Cost</b>         |   |  |   |  |   |  |                                  |                 |
| At 1 January 2023   | 36,422  | 113,483  | 2,604   | 85,190   | 46,800  | 1,219                                  | 149,209                          | 434,927         |
| Additions           | 41  | 377  | -   | 253  | 259   | -                                      | 646                              | 1,576           |
| Disposals           | -   | (942)  | -   | (8)  | -   | -                                      | -                                | (950)           |
| Modification        | -   | -  | -   | -  | -   | -                                      | (460)                            | (460)           |
| Reclassification    | -   | (323)  | -   | -  | 323   | -                                      | -                                | -               |
| At 31 December 2023 | 36,463  | 112,595  | 2,604   | 85,435   | 47,382  | 1,219                                  | 149,395                          | 435,093         |

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**13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

|   | Warehouse<br>building and<br>improvements<br>RM'000 | Containers,<br>pallets, plant and<br>machinery<br>RM'000 | Renovation<br>and electrical<br>installations<br>RM'000 | Signboard, furniture<br>and fittings, EDP<br>equipment and office<br>equipment<br>RM'000 | Motor vehicles,<br>lorries and trucks<br>RM'000 | Capital work-<br>in-progress<br>RM'000 | Right-of-use<br>assets<br>RM'000 | Total<br>RM'000 |
|---|---|--|---|--|---|--|----------------------------------|-----------------|
| <b>Group<br/>2023</b>                         |   |  |   |  |   |  |                                  |                 |
| <b>Accumulated<br/>depreciation</b>           |   |  |   |  |   |  |                                  |                 |
| At 1 January 2023                             | 15,317  | 104,464  | 2,047   | 82,890   | 44,182  | -                                      | 13,112                           | 262,012         |
| Depreciation charge for<br>the financial year | 682   | 2,136  | 203   | 481  | 893   | -                                      | 8,275                            | 12,670          |
| Disposals                                     | -   | (942)  | -   | (8)  | -   | -                                      | -                                | (950)           |
| Modification                                  | -   | -  | -   | -  | -   | -                                      | (460)                            | (460)           |
| Reclassification                              | -   | (323)  | -   | -  | 323   | -                                      | -                                | -               |
| At 31 December 2023                           | 15,999  | 105,335  | 2,250   | 83,363   | 45,398  | -                                      | 20,927                           | 273,272         |
| <b>Accumulated<br/>impairment losses</b>      |   |  |   |  |   |  |                                  |                 |
| At 1 January 2023/<br>31 December 2023        | -   | 6,774  | -   | 1,859  | 1,176   | -                                      | -                                | 9,809           |
| <b>Carrying amount</b>                        |   |  |   |  |   |  |                                  |                 |
| At 31 December 2023                           | 20,464  | 486  | 354   | 213  | 808   | 1,219                                  | 128,468                          | 152,012         |

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**13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

|                     | Warehouse<br>building and<br>improvements<br>RM'000 | Containers,<br>pallets, plant and<br>machinery<br>RM'000 | Renovation<br>and electrical<br>installations<br>RM'000 | Signboard, furniture<br>and fittings, EDP<br>equipment and office<br>equipment<br>RM'000 | Motor vehicles,<br>lorries and trucks<br>RM'000 | Capital work-<br>in-progress<br>RM'000 | Right-of-use<br>assets<br>RM'000 | Total<br>RM'000 |
|---------------------|---|--|---|--|---|--|----------------------------------|-----------------|
| <b>Group</b>        |   |  |   |  |   |  |                                  |                 |
| <b>2022</b>         |   |  |   |  |   |  |                                  |                 |
| <b>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         |



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**13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

|   | Warehouse<br>building and<br>improvements<br>RM'000 | Containers,<br>pallets, plant and<br>machinery<br>RM'000 | Renovation<br>and electrical<br>installations<br>RM'000 | Signboard, furniture<br>and fittings, EDP<br>equipment and office<br>equipment<br>RM'000 | Motor vehicles,<br>lorries and trucks<br>RM'000 | Capital work-<br>in-progress<br>RM'000 | Right-of-use<br>assets<br>RM'000 | Total<br>RM'000 |
|---|---|--|---|--|---|--|----------------------------------|-----------------|
| <b>Group</b>                                  |   |  |   |  |   |  |                                  |                 |
| <b>2022</b>                                   |   |  |   |  |   |  |                                  |                 |
| <b>Accumulated<br/>depreciation</b>           |   |  |   |  |   |  |                                  | -               |
| At 1 January 2022                             | 14,636  | 105,084  | 1,831   | 81,917   | 47,538  | -                                      | 7,159                            | 258,165         |
| Depreciation charge for<br>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<br/>impairment losses</b>      |   |  |   |  |   |  |                                  |                 |
| At 1 January 2022/<br>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         |

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**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

|   | Renovation<br>and electrical<br>installations<br>RM'000 | Furniture<br>and fittings<br>and office<br>equipment<br>RM'000 | Motor<br>vehicles<br>RM'000 | Total<br>RM'000 |
|---|---|--|-----------------------------|-----------------|
| <b>Company</b>                                |   |  |                             |                 |
| <b>2023</b>                                   |   |  |                             |                 |
| <b>Cost</b>                                   |   |  |                             |                 |
| At 1 January 2023/                            |   |  |                             |                 |
| 31 December 2023                              | 93  | 400  | 605                         | 1,098           |
| <b>Accumulated depreciation</b>               |   |  |                             |                 |
| At 1 January 2023/                            |   |  |                             |                 |
| 31 December 2023                              | 93  | 399  | 605                         | 1,097           |
| <b>Carrying amount</b>                        |   |  |                             |                 |
| At 31 December 2023                           | -   | 1  | -                           | 1               |
| <b>2022</b>                                   |   |  |                             |                 |
| <b>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<br>the financial year | -   | 1  | -                           | 1               |
| At 31 December 2022                           | 93  | 400  | 604                         | 1,097           |
| <b>Carrying amount</b>                        |   |  |                             |                 |
| At 31 December 2022                           | -   | -  | 1                           | 1               |

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**13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

**(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 20(c)) are as follows:

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2023<br>RM'000 | 2022<br>RM'000 | 2023<br>RM'000 | 2022<br>RM'000 |
| Containers, pallets, plant and machinery | 210            | 272            | -              | -              |
| Motor vehicles, lorries and trucks       | -              | 213            | -              | 1              |
| Furniture and fittings                   | -              | 94             | -              | -              |

**(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<br>land<br>RM'000 | Buildings<br>RM'000 | Motor<br>vehicle<br>RM'000 | Total<br>RM,000 |
|------------------------|-----------------------------|---------------------|----------------------------|-----------------|
| <b>Carrying amount</b> |                             |                     |                            |                 |
| At 1 January 2022      | 403                         | 142,762             | 81                         | 143,246         |
| Additions              | -                           | 965                 | -                          | 965             |
| Depreciation           | (15)                        | (7,992)             | (81)                       | (8,088)         |
| Derecognition          | -                           | (26)                | -                          | (26)            |
| At 31 December 2022    | 388                         | 135,709             | -                          | 136,097         |
| Additions              | -                           | 646                 | -                          | 646             |
| Depreciation           | (15)                        | (8,260)             | -                          | (8,275)         |
| At 31 December 2023    | 373                         | 128,095             | -                          | 128,468         |

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**13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

**(b) Right-of-use assets (cont'd)**

The Group leases land for its warehouse space. The lease of the land has a remaining lease term of 5 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 motor vehicles with lease terms of 2 years.

- (d)** 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 RM129.578 million (2022: RM140.266 million) with the corresponding lease liabilities of RM148.363 million (2022: 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.

**14. INVESTMENT IN SUBSIDIARIES**

|  | Company        |                |
|--|----------------|----------------|
|  | 2023<br>RM'000 | 2022<br>RM'000 |
| Unquoted shares - at cost              | 191,334        | 191,334        |
| Less: Impairment losses                |                |                |
| At beginning/end of the financial year | (92,318)       | (92,318)       |
|  | <u>99,016</u>  | <u>99,016</u>  |

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**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**14. INVESTMENT IN SUBSIDIARIES (CONT'D)**

Details of the subsidiaries are as follows:

| Name of company                                       | Principal place of business/<br>country of incorporation | Effective equity interest |           | Principal Activities  |
|---|--|---------------------------|-----------|---|
|   |  | 2023<br>%                 | 2022<br>% |   |
| Brahim's Dewina Investment Holdings Sdn.Bhd. ("BDIH") | Malaysia   | 51                        | 51        | Investment Holding  |
| Tamadam Crest Sdn. Bhd.                               | Malaysia   | 100                       | 100       | Dormant   |
| Tamadam Industries Sdn. Bhd.                          | Malaysia   | 100                       | 100       | Provision of warehouse rental, bonded warehousing, freight forwarding and transportation services |
| Brahim's Marketing Sdn. Bhd.                          | Malaysia   | 100                       | 100       | Dormant   |
| Brahim's Trading Sdn. Bhd.                            | Malaysia   | 100                       | 100       | Dormant   |
| Brahim's Food & Facilities Management Sdn. Bhd.       | Malaysia   | 100                       | 100       | Dormant   |
| Admuda Sdn. Bhd. ("ASB")                              | Malaysia   | 60                        | 60        | Dormant   |
| <b>Subsidiary of BDIH</b>                             |  |                           |           |   |
| Brahim's Food Services Sdn. Bhd.                      | Malaysia   | 35.7                      | 35.7      | Catering and catering related services  |

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**14. INVESTMENT IN SUBSIDIARIES (CONT'D)**

(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 interests |           |
|-----------------|---|----------------------------|-----------|
|                 |   | 2023<br>%                  | 2022<br>% |
| BDIH            | Malaysia  | 64.3                       | 64.3      |
| ASB             | Malaysia  | 40                         | 40        |

Carrying amount of non-controlling interests:

| Name of company | 2023<br>RM'000  | 2022<br>RM'000  |
|-----------------|-----------------|-----------------|
| BDIH            | (71,673)        | (79,159)        |
| ASB             | (4,523)         | (4,519)         |
|                 | <u>(76,196)</u> | <u>(83,678)</u> |

Profit or loss allocated to non-controlling interests:

| Name of company | 2023<br>RM'000 | 2022<br>RM'000 |
|-----------------|----------------|----------------|
| BDIH            | 7,486          | (6,887)        |
| ASB             | (4)            | (6)            |
|                 | <u>7,482</u>   | <u>(6,893)</u> |

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**14. INVESTMENT IN SUBSIDIARIES (CONT'D)**

(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<br/>RM'000</b> | <b>ASB<br/>RM'000</b> |
|---|------------------------|-----------------------|
| <b>Summarised statement of financial position</b>   |                        |                       |
| <b>As at 31 December 2023</b>                       |                        |                       |
| Current assets                                      | 62,913                 | 20                    |
| Non-current assets                                  | 129,578                | -                     |
| Current liabilities                                 | (147,657)              | (11,501)              |
| Non-current liabilities                             | (144,556)              | -                     |
| Net liabilities                                     | <u>(99,722)</u>        | <u>(11,481)</u>       |
| <br>  |                        |                       |
| <b>Summarised statement of comprehensive income</b> |                        |                       |
| <b>Financial year ended 31 December 2023</b>        |                        |                       |
| Revenue   | 163,422                | -                     |
| Profit/(loss) for the financial year                | 26,159                 | (10,851)              |
| Total comprehensive income/(loss)                   | <u>26,159</u>          | <u>(10,851)</u>       |
| <br>  |                        |                       |
| <b>Summarised cash flow information</b>             |                        |                       |
| <b>Financial year ended 31 December 2023</b>        |                        |                       |
| Net cash flows from/(used in) operating activities  | 2,911                  | (8,980)               |
| Net cash flows (used in)/from investing activities  | (1,506)                | 8,980                 |
| Net cash flows used in financing activities         | (3,379)                | -                     |
| Net decrease in cash and cash equivalents           | <u>(1,974)</u>         | <u>-</u>              |
| Dividends paid to non-controlling interests         | <u>-</u>               | <u>-</u>              |

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**14. INVESTMENT IN SUBSIDIARIES (CONT'D)**

- (b) Summarised financial information of non-controlling interests (cont'd)

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

|   | <b>BDIH</b><br><b>RM'000</b> | <b>ASB</b><br><b>RM'000</b> |
|---|------------------------------|-----------------------------|
| <b>Summarised statement 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>             |
| <br>  |                              |                             |
| <b>Summarised statement 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>                   |
| <br>  |                              |                             |
| <b>Summarised cash flow information</b>             |                              |                             |
| <b>Financial year ended 31 December 2022</b>        |                              |                             |
| Net cash flows from/(used in) operating activities  | 11,719                       | (15)                        |
| Net cash flows used in investing activities         | (134)                        | -                           |
| Net cash flows (used in)/from financing activities  | (9,536)                      | 15                          |
| Net increase in cash and cash equivalents           | <u>2,049</u>                 | <u>-</u>                    |
| Dividends paid to non-controlling interests         | <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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**15. GOODWILL**

|                               | <b>Group</b>     |               |
|-------------------------------|------------------|---------------|
|                               | <b>2023</b>      | <b>2022</b>   |
|                               | <b>RM'000</b>    | <b>RM'000</b> |
| Cost                          | <b>282,563</b>   | 282,563       |
| Accumulated impairment losses | <b>(282,479)</b> | (282,479)     |
| Carrying amount               | <b>84</b>        | 84            |

**16. INVENTORIES**

|                    | <b>Group</b>  |               |
|--------------------|---------------|---------------|
|                    | <b>2023</b>   | <b>2022</b>   |
|                    | <b>RM'000</b> | <b>RM'000</b> |
| At cost:           |               |               |
| Catering stores    | <b>1,786</b>  | 1,889         |
| Maintenance stores | <b>1,664</b>  | 1,527         |
| General stores     | <b>520</b>    | 411           |
|                    | <b>3,970</b>  | 3,827         |

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM55.385 million (2022: RM43.593 million).

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**17. TRADE AND OTHER RECEIVABLES**

|  | Note | Group          |                | Company         |                 |
|--|------|----------------|----------------|-----------------|-----------------|
|  |      | 2023<br>RM'000 | 2022<br>RM'000 | 2023<br>RM'000  | 2022<br>RM,000  |
| <b>Non-current:</b>  |      |                |                |                 |                 |
| <b>Non-trade</b>   |      |                |                |                 |                 |
| Amount owing by<br>a subsidiary                                      |      | -              | -              | 2,699           | 2,699           |
| Less: Impairment losses<br>- amount owing<br>by a subsidiary         |      | -              | -              | (2,699)         | (2,699)         |
|  | (b)  | <u>-</u>       | <u>-</u>       | <u>-</u>        | <u>-</u>        |
| <b>Current:</b>  |      |                |                |                 |                 |
| <b>Trade</b>   |      |                |                |                 |                 |
| Trade receivables  |      | 47,905         | 22,128         | -               | -               |
| Less: Impairment losses  |      | (2,506)        | (5,346)        | -               | -               |
|  | (a)  | <u>45,399</u>  | <u>16,782</u>  | <u>-</u>        | <u>-</u>        |
| <b>Non-trade</b>   |      |                |                |                 |                 |
| Other receivables  |      | 2,709          | 2,420          | 23              | 20              |
| Amounts owing by<br>subsidiaries                                     | (b)  | -              | -              | 22,508          | 23,806          |
| Amounts owing by<br>related party                                    | (c)  | 369            | 102            | -               | -               |
| Deposits   |      | 8,595          | 756            | 15              | 15              |
| Prepayments  |      | 332            | 690            | -               | -               |
|  |      | <u>12,005</u>  | <u>3,968</u>   | <u>22,546</u>   | <u>23,841</u>   |
| Less: Impairment losses<br>- amounts owing<br>by subsidiaries        | (b)  | -              | -              | (13,570)        | (13,570)        |
|  |      | <u>-</u>       | <u>-</u>       | <u>(13,570)</u> | <u>(13,570)</u> |
|  |      | <u>12,005</u>  | <u>3,968</u>   | <u>8,976</u>    | <u>10,271</u>   |
| Total trade and<br>other receivables<br>(current)                    |      | <u>57,404</u>  | <u>20,750</u>  | <u>8,976</u>    | <u>10,271</u>   |
| Total trade and<br>other receivables<br>(non-current<br>and current) |      | <u>57,404</u>  | <u>20,750</u>  | <u>8,976</u>    | <u>10,271</u>   |

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**17. TRADE AND OTHER RECEIVABLES (CONT'D)**

**(a) Trade receivables**

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 30 to 60 days (2022: 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>2023</b>   | 2022         |
|                                | <b>RM'000</b> | RM'000       |
| At 1 January                   | 5,346         | 4,605        |
| Charged for the financial year |               |              |
| - Individually assessed        | 43            | 771          |
| - Collectively assessed        | (510)         | 50           |
| Reversal of impairment losses  | (2,373)       | (80)         |
| At 31 December                 | <u>2,506</u>  | <u>5,346</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>2023</b>    | 2022          |
|                               | <b>RM'000</b>  | RM'000        |
| At 1 January                  | 16,269         | 16,611        |
| Reversal of impairment losses | -              | (342)         |
| At 31 December                | <u>16,269</u>  | <u>16,269</u> |

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**17. TRADE AND OTHER RECEIVABLES (CONT'D)**

**(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.

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

|                        | Group          |                | Company        |                |
|------------------------|----------------|----------------|----------------|----------------|
|                        | 2023<br>RM'000 | 2022<br>RM'000 | 2023<br>RM'000 | 2022<br>RM'000 |
| Cash and bank balances | 2,737          | 4,981          | 90             | 50             |
| Short-term deposits    | 3,188          | 3,192          | 1,912          | 1,915          |
|                        | <u>5,925</u>   | <u>8,173</u>   | <u>2,002</u>   | <u>1,965</u>   |

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

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2023<br>RM'000 | 2022<br>RM'000 | 2023<br>RM'000 | 2022<br>RM'000 |
| Short-term deposits   | 3,188          | 3,192          | 1,912          | 1,915          |
| Less: Pledged deposits<br>and deposits with<br>maturity more than<br>3 months | <u>(3,188)</u> | <u>(3,192)</u> | <u>(1,912)</u> | <u>(1,915)</u> |
|   | -              | -              | -              | -              |
| Cash and bank balances  | <u>2,737</u>   | <u>4,981</u>   | <u>90</u>      | <u>50</u>      |
|   | <u>2,737</u>   | <u>4,981</u>   | <u>90</u>      | <u>50</u>      |

- (a) The short-term deposits of the Group and the Company bear interest at a rate of 1.55% (2022: 1.55%) per annum and their maturity period ranging from 1 month to 12 months (2022: 1 month to 12 months)
- (b) Short-term deposits of the Group and the Company amounting to RM1.276 million and RM1.828 million respectively (2022: RM3.104 million and RM1.828 million respectively) pledged as bank guarantee to third party creditors.

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**18. CASH AND SHORT-TERM DEPOSITS (CONT'D)**

- (c) Short-term deposits of the Group and the Company amounting to RM0.088 million (2022: RM0.088 million) are pledged for banking facilities as disclosed in Note 20(a).

**19. SHARE CAPITAL**

|  | Group and Company |          |                |         |
|--|-------------------|----------|----------------|---------|
|  | Number of shares  |          | Amounts        |         |
|  | 2023              | 2022     | 2023           | 2022    |
|  | Unit'000          | Unit'000 | RM'000         | RM'000  |
| Issued and fully paid up<br>(no par value) |                   |          |                |         |
| At beginning of the financial<br>year      | <b>307,171</b>    | 307,171  | <b>279,607</b> | 279,607 |
| Issued during the financial<br>year        | -                 | -        | -              | -       |
| At the end of the financial year           | <b>307,171</b>    | 307,171  | <b>279,607</b> | 279,607 |

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.

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**20. LOANS AND BORROWINGS**

|  | Note | Group          |                | Company        |                |
|--|------|----------------|----------------|----------------|----------------|
|  |      | 2023<br>RM'000 | 2022<br>RM'000 | 2023<br>RM'000 | 2022<br>RM'000 |
| <b>Non-current:</b>                                  |      |                |                |                |                |
| Lease liability                                      | (b)  | <b>145,498</b> | 148,966        | -              | -              |
| Hire purchase payables                               | (c)  | -              | 17             | -              | -              |
|  |      | <b>145,498</b> | 148,983        | -              | -              |
| <b>Current:</b>                                      |      |                |                |                |                |
| Term loans   | (a)  | <b>90,882</b>  | 86,871         | <b>86,012</b>  | 82,292         |
| Lease liabilities                                    | (b)  | <b>4,016</b>   | 7,079          | -              | -              |
| Hire purchase  | (c)  | <b>14</b>      | 624            | -              | 52             |
|  |      | <b>94,912</b>  | 94,574         | <b>86,012</b>  | 82,344         |
|  |      | <b>240,410</b> | 243,557        | <b>86,012</b>  | 82,344         |
| <b>Total loans and borrowings<br/>and borrowings</b> |      |                |                |                |                |
| Term loans   | (a)  | <b>90,882</b>  | 86,871         | <b>86,012</b>  | 82,292         |
| Lease liabilities                                    | (b)  | <b>149,514</b> | 156,045        | -              | -              |
| Hire purchase payables                               | (c)  | <b>14</b>      | 641            | -              | 52             |
|  |      | <b>240,410</b> | 243,557        | <b>86,012</b>  | 82,344         |

**(a) Term loans**

|              | Group          |                | Company        |                |
|--------------|----------------|----------------|----------------|----------------|
|              | 2023<br>RM'000 | 2022<br>RM'000 | 2023<br>RM'000 | 2022<br>RM'000 |
| Term loan I  | <b>4,870</b>   | 4,579          | -              | -              |
| Term loan II | <b>86,012</b>  | 82,292         | <b>86,012</b>  | 82,292         |
|              | <b>90,882</b>  | 86,871         | <b>86,012</b>  | 82,292         |

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**20. LOANS AND BORROWINGS (CONT'D)**

**(a) Term loans (cont'd)**

(i) Term loan I

Term loan I bears interest at a rate of 7.50% (2022: 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 or from other cashflow sources

Term loan II

Term loan II bears interest at a rate of 7.65% (2022: 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. 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 18(c).

(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 RM80 million together with late payment charges.

During the year, OCBC had initiated a legal action and the first hearing was held on 6 June 2024. At the reporting date, the matter is still on-going.

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**20. LOANS AND BORROWINGS (CONT'D)**

**(b) Lease liabilities**

The interest rate implicit in the leases is 7.65% (2022: 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>2023</b>      | 2022      |
|   | <b>RM'000</b>    | RM'000    |
| Minimum lease payments:                           |                  |           |
| Not later than one year                           | <b>15,175</b>    | 18,651    |
| Later than one year and not later than five years | <b>54,948</b>    | 55,298    |
| Later than five years                             | <b>210,717</b>   | 224,942   |
|   | <b>280,840</b>   | 298,891   |
| Less: Future finance charges                      | <b>(131,326)</b> | (142,846) |
| Present value of minimum lease payments           | <b>149,514</b>   | 156,045   |
| Present value of minimum lease payments:          |                  |           |
| Not later than one year                           | <b>4,016</b>     | 7,079     |
| Later than one year and not later than five years | <b>12,472</b>    | 3,819     |
| Later than five years                             | <b>133,026</b>   | 145,147   |
|   | <b>149,514</b>   | 156,045   |
| Less: Amount due within 12 months                 | <b>(4,016)</b>   | (7,079)   |
| Amount due after 12 months                        | <b>145,498</b>   | 148,966   |



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**20. LOANS AND BORROWINGS (CONT'D)**

**(c) Hire purchase payables**

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2023<br>RM'000 | 2022<br>RM'000 | 2023<br>RM'000 | 2022<br>RM'000 |
| Minimum lease payments:                              |                |                |                |                |
| Not later than one year                              | 21             | 738            | -              | 52             |
| Later than one year and<br>not later than five years | -              | 55             | -              | -              |
|  | <u>21</u>      | <u>793</u>     | <u>-</u>       | <u>52</u>      |
| Less: Future finance<br>charges                      | <u>(7)</u>     | <u>(152)</u>   | <u>-</u>       | <u>-</u>       |
| Present value of<br>minimum lease payments           | <u>14</u>      | <u>641</u>     | <u>-</u>       | <u>52</u>      |
| Present value of<br>minimum lease payments:          |                |                |                |                |
| Not later than one year                              | 14             | 624            | -              | 52             |
| Later than one year and<br>not later than five years | -              | 17             | -              | -              |
|  | <u>14</u>      | <u>641</u>     | <u>-</u>       | <u>52</u>      |
| Less: Amount due<br>within 12 months                 | <u>(14)</u>    | <u>(624)</u>   | <u>-</u>       | <u>(52)</u>    |
| Amount due after<br>12 months                        | <u>-</u>       | <u>17</u>      | <u>-</u>       | <u>-</u>       |

Certain plant and machineries and motor vehicle of the Group and of the Company as disclosed in Note 13 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% (2022: 2.70% to 2.85%) per annum.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. DEFERRED TAX LIABILITIES**

|                                       | <b>Group</b>   |               |
|---------------------------------------|----------------|---------------|
|                                       | <b>2023</b>    | <b>2022</b>   |
|                                       | <b>RM'000</b>  | <b>RM'000</b> |
| At 1 January                          | <b>(1,188)</b> | (2,644)       |
| Recognise in profit or loss (Note 12) | <b>(1,283)</b> | 1,456         |
| At 31 December                        | <b>(2,471)</b> | (1,188)       |

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

|  | <b>Group</b>   |               |
|--|----------------|---------------|
|  | <b>2023</b>    | <b>2022</b>   |
|  | <b>RM'000</b>  | <b>RM'000</b> |
| <b>Deferred tax assets</b>   |                |               |
| Impairment losses on trade receivables   | -              | 29            |
| Unabsorbed capital allowances  | <b>127</b>     | -             |
| Right-of-use assets  | <b>7</b>       | -             |
|  | <b>134</b>     | 29            |
| <b>Deferred tax liabilities</b>  |                |               |
| Differences between the carrying amount of property<br>plant and equipment and their tax bases | <b>(2,474)</b> | (1,217)       |
| Provisions   | <b>(131)</b>   | -             |
|  | <b>(2,605)</b> | (1,217)       |
|  | <b>(2,471)</b> | (1,188)       |

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**21. DEFERRED TAX LIABILITIES (CONT'D)**

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

|  | Group                 |                | Company              |                |
|--|-----------------------|----------------|----------------------|----------------|
|  | 2023<br>RM'000        | 2022<br>RM'000 | 2023<br>RM'000       | 2022<br>RM'000 |
| Unutilised tax losses  | <b>167,434</b>        | 164,789        | <b>11,454</b>        | 12,574         |
| Unabsorbed capital allowances                                  | <b>930</b>            | 1,545          | -                    | 1              |
| Property, plant and equipment                                  | <b>9</b>              | 6              | -                    | -              |
| Right-of-use assets  | <b>7,114</b>          | 7,303          | -                    | -              |
| Provisions   | <b>1,248</b>          | 1,534          | -                    | -              |
|  | <b><u>176,735</u></b> | <u>175,177</u> | <b><u>11,454</u></b> | <u>12,575</u>  |
| Potential deferred tax assets not recognised at 24% (2022:24%) | <b><u>42,416</u></b>  | <u>42,042</u>  | <b><u>2,749</u></b>  | <u>3,018</u>   |

- (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              |                |
|------|-----------------------|----------------|----------------------|----------------|
|      | 2023<br>RM'000        | 2022<br>RM'000 | 2023<br>RM'000       | 2022<br>RM'000 |
| 2025 | <b>14,342</b>         | 14,342         | <b>11,454</b>        | 12,574         |
| 2026 | <b>37,034</b>         | 37,034         | -                    | -              |
| 2027 | <b>79,256</b>         | 79,256         | -                    | -              |
| 2028 | <b>46,103</b>         | 34,157         | -                    | -              |
|      | <b><u>176,735</u></b> | <u>164,789</u> | <b><u>11,454</u></b> | <u>12,574</u>  |

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**22. TRADE AND OTHER PAYABLES**

|   | Note | Group          |                | Company        |                |
|---|------|----------------|----------------|----------------|----------------|
|   |      | 2023<br>RM'000 | 2022<br>RM'000 | 2023<br>RM'000 | 2022<br>RM'000 |
| <b>Non-current:</b>   |      |                |                |                |                |
| <b>Non-trade</b>  |      |                |                |                |                |
| Other payables  |      | -              | 9,248          | -              | -              |
| Amount owing to a subsidiary                                    | (b)  | -              | -              | 1,120          | 1,120          |
|   |      | <u>-</u>       | <u>9,248</u>   | <u>1,120</u>   | <u>1,120</u>   |
| <b>Current:</b>   |      |                |                |                |                |
| <b>Trade</b>  |      |                |                |                |                |
| Trade payables  | (a)  | 58,868         | 57,894         | -              | -              |
| <b>Non-trade</b>  |      |                |                |                |                |
| Other payables  |      | 44,814         | 18,708         | 5,572          | 4,757          |
| Accruals  |      | 19,971         | 22,443         | 17             | 83             |
| Amount owing to a subsidiary                                    | (b)  | -              | -              | 6,661          | 6,424          |
| Amounts owing to related parties                                | (b)  | 14,505         | 10,020         | 376            | 376            |
| Amount owing to a director                                      | (b)  | 6,784          | 6,744          | 6,084          | 6,044          |
| <b>Total trade and other payables (current)</b>                 |      | <u>144,942</u> | <u>115,809</u> | <u>18,710</u>  | <u>17,684</u>  |
| <b>Total trade and other payables (non-current and current)</b> |      | <u>144,942</u> | <u>125,057</u> | <u>19,830</u>  | <u>18,804</u>  |

**(a) Trade payables**

The normal trade credit terms granted to the Group ranging from 30 to 60 days (2022: 30 to 60 days).

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**22. TRADE AND OTHER PAYABLES (CONT'D)**

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

Include in amounts owing to related parties of the Group is advances from a related party amounting to RM14.028 million (2022: RM9.542 million) which is non-trade in nature, unsecured, bears interest at a rate of 7% (2022: 7%) 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.

**23. PROVISIONS**

|                                    | <b>Legal claim</b> | <b>Zakat</b>  | <b>Taxation</b> | <b>Total</b>  |
|------------------------------------|--------------------|---------------|-----------------|---------------|
|                                    | <b>RM'000</b>      | <b>RM'000</b> | <b>RM'000</b>   | <b>RM'000</b> |
| <b>Group</b>                       |                    |               |                 |               |
| At 1 January 2022/31 December 2022 | 6,900              | 562           | -               | 7,462         |
| Addition                           | -                  | 65            | 1,517           | 1,582         |
| At 31 December 2023                | <u>6,900</u>       | <u>627</u>    | <u>1,517</u>    | <u>9,044</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.

**(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.

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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<br/>amount</b> | <b>AC</b>        |
|---|----------------------------|------------------|
|   | RM'000                     | RM'000           |
| <b>At 31 December 2023</b>                      |                            |                  |
| <b>Financial assets</b>                         |                            |                  |
| <b>Group</b>                                    |                            |                  |
| Trade and other receivables, net of prepayments | 57,072                     | 57,072           |
| Cash and short-term deposits                    | <u>5,924</u>               | <u>5,924</u>     |
|   | <u>62,996</u>              | <u>62,996</u>    |
| <b>Company</b>                                  |                            |                  |
| Other receivables                               | 8,976                      | 8,976            |
| Cash and short-term deposits                    | <u>2,002</u>               | <u>2,002</u>     |
|   | <u>10,978</u>              | <u>10,978</u>    |
| <b>Financial liabilities</b>                    |                            |                  |
| <b>Group</b>                                    |                            |                  |
| Trade and other payables                        | (144,942)                  | (144,942)        |
| Loans and borrowings                            | <u>(240,410)</u>           | <u>(240,410)</u> |
|   | <u>(385,352)</u>           | <u>(385,352)</u> |
| <b>Company</b>                                  |                            |                  |
| Other payables                                  | (19,830)                   | (19,830)         |
| Loans and borrowings                            | <u>(86,012)</u>            | <u>(86,012)</u>  |
|   | <u>(105,842)</u>           | <u>(105,842)</u> |

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**24. FINANCIAL INSTRUMENTS (CONT'D)**

**(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: (cont'd)

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

**(b) Financial risk management (cont'd)**

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 2 (2022: 1) customer representing approximately 69% (2022: 60%) 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 (CONT'D)**

**(b) Financial risk management (cont'd)**

**(i) Credit risk (cont'd)**

**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.

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**24. FINANCIAL INSTRUMENTS (CONT'D)**

**(b) Financial risk management (cont'd)**

**(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 (CONT'D)**

**(b) Financial risk management (cont'd)**

**(ii) Liquidity risk (cont'd)**

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<br>RM'000 |
|----------------------------|------------------------------|---|------------------------------------|--------------------------------|-----------------|
|                            | Carrying<br>amount<br>RM'000 | On demand or<br>within 1 year<br>RM'000 | Between 1 and<br>5 years<br>RM'000 | More than 5<br>years<br>RM'000 |                 |
| <b>Group</b>               |                              |   |                                    |                                |                 |
| <b>At 31 December 2023</b> |                              |   |                                    |                                |                 |
| Trade and other payables   | 144,942                      | 144,942                                 | -                                  | -                              | 144,942         |
| Hire purchase payables     | 14                           | 21                                      | -                                  | -                              | 21              |
| Lease liabilities          | 149,514                      | 15,175                                  | 54,948                             | 210,717                        | 280,840         |
| Term loans                 | 90,882                       | 95,685                                  | -                                  | -                              | 95,685          |
|                            | <b>385,352</b>               | <b>255,823</b>                          | <b>54,948</b>                      | <b>210,717</b>                 | <b>521,488</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          |
|                            | <b>368,614</b>               | <b>226,286</b>                          | <b>64,724</b>                      | <b>224,942</b>                 | <b>515,952</b>  |

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

**24. FINANCIAL INSTRUMENTS (CONT'D)**

**(b) Financial risk management (cont'd)**

**(ii) Liquidity risk (cont'd)**

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: (cont'd)

|                            | ← Contractual cash flows →   |   |                                    |                 |
|----------------------------|------------------------------|---|------------------------------------|-----------------|
|                            | Carrying<br>amount<br>RM'000 | On demand or<br>within 1 year<br>RM'000 | Between 1 and<br>5 years<br>RM'000 | Total<br>RM'000 |
| <b>Company</b>             |                              |   |                                    |                 |
| <b>At 31 December 2023</b> |                              |   |                                    |                 |
| Other payables             | 105,841                      | 104,721                                 | 1,120                              | 105,841         |
| Term loans                 | 86,012                       | 90,730                                  | -                                  | 90,730          |
|                            | 191,853                      | 195,451                                 | 1,120                              | 196,571         |
| <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         |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**24. FINANCIAL INSTRUMENTS (CONT'D)**

**(b) Financial risk management (cont'd)**

**(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>2023</b>    | <b>2022</b>    |
|  | <b>RM'000</b>  | <b>RM'000</b>  |
| Financial assets and liabilities<br>not held in functional currency: |                |                |
| <u>Loans and borrowings</u>  |                |                |
| United States Dollar   | <u>(4,870)</u> | <u>(4,579)</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 (CONT'D)**

**(b) Financial risk management (cont'd)**

**(iii) Foreign currency risk**

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.

|                            | Change in<br>rate<br>% | Effect on<br>loss for the<br>financial<br>year<br>RM'000 | Effect on<br>equity<br>RM'000 |
|----------------------------|------------------------|--|-------------------------------|
| <b>Group</b>               |                        |  |                               |
| <b>At 31 December 2023</b> |                        |  |                               |
| -USD                       | <b>+15%</b>            | <b>(477)</b>   | <b>(477)</b>                  |
|                            | <b>-15%</b>            | <b>477</b>   | <b>477</b>                    |
| <b>At 31 December 2022</b> |                        |  |                               |
| -USD                       | +15%                   | (522)  | (522)                         |
|                            | -15%                   | 522  | 522                           |

**(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 Group, RM90.882 and Company, RM86.012 million (2022: Group, RM86.871 million and Company, RM82.292 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 2023 would decrease/increase by RM0.359 million (2022: RM0.313 million) as a result of exposure to floating rate borrowings.

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**24. FINANCIAL INSTRUMENTS (CONT'D)**

**(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 (2022: no transfer in either directions).

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

|                              | Carrying<br>amount<br>RM'000 | Fair value of<br>financial<br>instruments not<br>carried at fair value<br>Level 2<br>RM'000 |
|------------------------------|------------------------------|---|
| <b>Group</b>                 |                              |   |
| <b>31 December 2023</b>      |                              |   |
| <b>Financial liabilities</b> |                              |   |
| Term loans                   | 4,870                        | 4,870   |
| Hire purchase payables       | 14                           | 14  |
|                              | <hr/>                        | <hr/>   |
| <b>31 December 2022</b>      |                              |   |
| <b>Financial liabilities</b> |                              |   |
| Term loans                   | 4,579                        | 4,579   |
| Hire purchase payables       | 641                          | 641   |
|                              | <hr/>                        | <hr/>   |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**25. BANK GUARANTEES**

|  | <b>Group</b>        |              | <b>Company</b>      |              |
|--|---------------------|--------------|---------------------|--------------|
|  | <b>2023</b>         | 2022         | <b>2023</b>         | 2022         |
|  | <b>RM'000</b>       | RM'000       | <b>RM'000</b>       | RM'000       |
| Bank guarantee facilities in favour of third party creditors | <u><b>2,318</b></u> | <u>2,318</u> | <u><b>1,600</b></u> | <u>1,600</u> |

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 (2022: RM2.318 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.

**26. 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 14;
- (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.



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**26. RELATED PARTIES (CONT'D)**

**(b) Significant related party transactions**

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

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2023<br>RM'000 | 2022<br>RM'000 | 2023<br>RM'000 | 2022<br>RM'000 |
| Subsidiaries   |                |                |                |                |
| - Management fees  | -              | -              | (500)          | (280)          |
| - Interest expense   | -              | -              | 196            | 196            |
| Rental and utilities   | -              | -              | 202            | 177            |
|  | <u>-</u>       | <u>-</u>       | <u>202</u>     | <u>177</u>     |
| Corporate shareholder of a subsidiary                            |                |                |                |                |
| - Sales of goods and services                                    | (85,185)       | (68,626)       | -              | -              |
| - Expenses charged:  |                |                |                |                |
| - Rental   | 694            | 12,694         | -              | -              |
| - Supply of water  | 10,651         | 4,044          | -              | -              |
| - Electricity  | 1,697          | 1,709          | -              | -              |
|  | <u>12,042</u>  | <u>18,447</u>  | <u>-</u>       | <u>-</u>       |
| Entities in which a director has substantial financial interests |                |                |                |                |
| - Purchase of supplies   | 8              | 5              | -              | -              |
|  | <u>8</u>       | <u>5</u>       | <u>-</u>       | <u>-</u>       |

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

|                                   | Group          |                | Company        |                |
|-----------------------------------|----------------|----------------|----------------|----------------|
|                                   | 2023<br>RM'000 | 2022<br>RM'000 | 2023<br>RM'000 | 2022<br>RM'000 |
| Short-term employee benefits      | 1,795          | 2,026          | 827            | 972            |
| Post-employment employee benefits | 288            | 138            | -              | -              |
|                                   | <u>2,083</u>   | <u>2,164</u>   | <u>827</u>     | <u>972</u>     |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**27. 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        |                |
|------------------------------------|------|------------------|----------------|----------------|----------------|
|                                    |      | 2023<br>RM'000   | 2022<br>RM'000 | 2023<br>RM'000 | 2022<br>RM'000 |
| Trade and other payables           | 14   | <b>144,942</b>   | 125,057        | <b>19,830</b>  | 18,804         |
| Loans and borrowings               | 12   | <b>240,410</b>   | 243,557        | <b>86,012</b>  | 82,344         |
| Less: Cash and short-term deposits | 10   | <b>(5,924)</b>   | (8,713)        | <b>(2,002)</b> | (1,965)        |
| Net debts                          |      | <b>379,428</b>   | 359,901        | <b>103,840</b> | 99,183         |
| (Capital deficiency)/ Total equity |      | <b>(176,888)</b> | (181,007)      | <b>4,153</b>   | 10,105         |
| Debt-to-equity ratio               |      | <b>**</b>        | <b>**</b>      | <b>2500%</b>   | 982%           |

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

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**28. MATERIAL LITIGATIONS**

- (a) A claim was filed against Brahim's Food Services Sdn Bhd by Malaysia Airlines Berhad (MAB) in the Kuala Lumpur High Court Sivil Suit No WA-22NCvC-52-01/2024 for purported outstanding amount of RM11,045,192 under tenancy agreements between MAB and the Company. The Company had defense against MAB's claim also filed a Counter Claim against MAB for inter alia total sum of RM805,336,732.65.
- (b) A claim was filed against Brahim's Food Services Sdn Bhd by the former employees in the Sessions Court in Sepang Civil Suit No. BK-B52NCvC-13-09/2021 for purported sums due and payable by the Company to its former employees under MSS. However, the Company has recently reached an amicable settlement of the above matter with 29 out of the 187 plaintiffs and therefore the matter will now proceed with the claim by the remaining 158 plaintiffs which is pending determination of the Court. As at 31 December 2023, the outstanding MSS payment to claimants is RM6.738 million.
- (c) The Company received a letter of demand dated 16 March 2022 from OCBC Al-Amin Berhad's ("OCBC") appointed solicitor in relation to the Term Financing-I Ijarah Muntahiah Bi Al-Tamlik (Term-i) which claimed against the Company on the following:
- i. the outstanding sum of RM62.033 million as at 28 February 2022; and
  - ii. within 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.

Subsequently, on 5 May 2022, the Company received a letter from OCBC, serving a put option notice ("Put Option Notice") that required the Company to settle an amount owing to OCBC of RM80 million together with late payment charges.

During the year, OCBC had initiated a legal action and the first hearing was held on 6 June 2024. At the reporting date, the matter is still on-going.

- (d) On 1 July 2020, Edynis Services Sdn. Bhd. ("plaintiff") has filed an action against a subsidiary, Brahim's 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 Company has made a payment of RM179,684 in January 2023. As part of a settlement agreement for ongoing litigation, the remaining balance of the settlement amount was to be paid in three installments. In 2024, the company made the required payments, with the final installment of RM100,000 paid in May 2024.