



BRAHIM'S HOLDINGS BERHAD

Company No.: 198201002985 (82731-A)

(Incorporated in Malaysia)

*Reports and Financial Statements
For The Financial Year Ended 31 December 2024*

Company No.: 198201002985 (82731-A)

BRAHIM'S HOLDINGS BERHAD

(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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BRAHIM'S HOLDINGS BERHAD

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CORPORATE INFORMATION

Board of Directors	:	Dato' Seri Ibrahim bin Haji Ahmad Mejar Dato' Ismail bin Ahmad Ahmad Fahimi bin Ibrahim Nur Fatin binti Dato' Seri Ibrahim
Company Secretary	:	Nor Syahidah binti Che Kamaruddin Licensed Secretary (LS)-LS0010016
Registered Office/Principal Place of Business	:	7-05, 7th Floor, Menara Hap Seng No 1 & 3, Jalan P Ramlee 50250 Kuala Lumpur
Auditors	:	Afrizan Tarmili Khairul Azhar PLT (LLP0031255-LCA) (AF 1300) 2, Jalan Rampai Niaga 2 Rampai Business Park 53300 Kuala Lumpur
Principal Bankers	:	Malayan Banking Berhad OCBC Bank CIMB Bank Berhad Public Bank Berhad Affin Bank Berhad

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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 of the Company for the financial year ended 31 December 2024.

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

	Group RM'000	Company RM'000
Net profit/(loss) for the year	<u>(15,272)</u>	<u>(6,118)</u>
Attributable to:		
Owners of the Company	(10,120)	(6,118)
Non-controlling interests	<u>(5,152)</u>	<u>-</u>
	<u>(15,272)</u>	<u>(6,118)</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 payment of any dividends in respect of the financial year ended 31 December 2024.

RESERVES AND PROVISIONS

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

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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 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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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 results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

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

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company during the financial year were RM and RM respectively.

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

DIRECTORS

The directors who in 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)

Nur Fatin binti Dato' Seri Ibrahim*

(Appointed on 13 March 2025)

Mohd Fadhli bin Abdul Rahman

(Resigned on 13 March 2025)

* Directors of the Company and certain subsidiaries

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DIRECTORS (CONT'D)

Other than as stated above, the names of the directors of the subsidiaries of the Company in office since the beginning of the financial year to the date of this report are:

Dzamir bin Elyas

Mohamed Zamry bin Mohamed Hashim

Zainuddin bin Dollah

(Appointed on 13 March 2025)

(Appointed on 9 April 2025)

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 1.1.2024	Number of ordinary shares During the year		As at 31.12.2024
		Bought	Sold	
Direct interests:				
Dato' Seri Ibrahim bin Haji Ahmad	17,720,000	-	-	17,720,000
Indirect interests				
Dato' Seri Ibrahim bin Haji Ahmad	58,253,300	-	-	58,253,300

* Shares held through a 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' 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.

	Group RM'000	Company RM'000
Directors of the Company		
Executive director		
- Fees	132	132
- Other emoluments	2,142	660
	<u>2,274</u>	<u>792</u>
Non-executive directors		
- Fees	60	60
Director of the subsidiaries		
Executive director		
- Other emoluments	-	-
	<u>2,334</u>	<u>852</u>

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

INDEMNITY TO DIRECTORS AND OFFICERS

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

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SUBSIDIARIES

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

Name of company	Principal place of business/ country of incorporation	Principal activities	Effective equity interests %
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
Subsidiary of BDIH			
Brahim's Food Services Sdn. Bhd.	Malaysia	Catering and catering related services	35.7

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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



NUR FATIN BINTI DATO' SERI IBRAHIM
Director

Date: 30 JUN 2025

Company No.: 198201002985 (82731-A)

BRAHIM'S HOLDINGS BERHAD

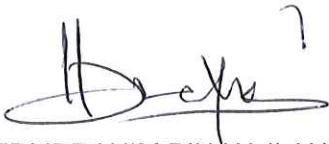
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

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

We, DATO' SERI IBRAHIM BIN HAJI AHMAD and NUR FATIN BINTI DATO' SERI IBRAHIM , being two of the directors of Brahim's Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 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



NUR FATIN BINTI DATO' SERI IBRAHIM
Director

Kuala Lumpur, Malaysia

Date: 30 JUN 2025

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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, NUR FATIN BINTI DATO' SERI IBRAHIM, 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 NUR FATIN BINTI DATO'
SERI IBRAHIM at Kuala Lumpur in the
Federal Territory on **30 JUN 2025**



NUR FATIN BINTI DATO' SERI IBRAHIM

Before me,



Commissioner for Oaths

Kuala Lumpur, Malaysia at **Tingkat 20, Bangunan Ambank Group,
No.55 Jalan Raja Chulan,
50200 Kuala Lumpur.**



AFRIZAN TARMILI KHAIRUL AZHAR PLT
Chartered Accountants (LLP0031255-LCA) (AF1300)

Aftaas, 2, Jalan Rampai Niaga 2, Rampai Business Park, 53300, Kuala Lumpur
☎ (603) 4143 9330 ✉ aftaas@aftaas.com

Company No.: 198201002985 (82731-A)

**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 2024 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 97.

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 2024, 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 RM15.272 million while the Company had incurred a net loss of RM6.118 million and as of that date, the Group's and the Company's current liabilities exceeded the current assets by RM196.642 million and RM99.861 million respectively and the Group recorded a capital deficiency of RM197.945 million.



Member of Parker Russell International

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

Material Uncertainty Related to Going Concern (Cont'd)

Additionally, OCBC had initiated a legal action against the Company pursuant to repayment default of Term Financing-I ljarah 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 on 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 are 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.

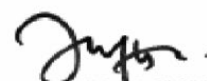
Report on Other Legal and Regulatory Requirements

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

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.


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


IMRAN AZAM BIN SAFAR
03323/09/2025
Chartered Accountant
Partner

Kuala Lumpur, Malaysia

Date: 30 JUN 2025

Member of Parker Randall International



BRAHIM'S HOLDINGS BERHAD
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
			(Restated)		
ASSETS					
Non-current assets					
Property, plant and equipment	5	143,756	152,012	-	1
Investment in subsidiaries	6	-	-	99,016	99,016
Goodwill	7	84	84	-	-
Total non-current assets		143,840	152,096	99,016	99,017
Current assets					
Inventories	8	3,610	3,970	-	-
Tax assets		1,050	585	-	-
Trade and other receivables	9	59,124	57,404	9,046	8,976
Cash and short-term deposits	10	5,832	5,924	2,053	2,002
Total current assets		69,616	67,883	11,099	10,978
TOTAL ASSETS		213,456	219,979	110,115	109,995

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

BRAHIM'S HOLDINGS BERHAD
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

		Group		Company	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
			(Restated)		
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	11	279,607	279,607	279,607	279,607
Retained earnings		(392,484)	(382,364)	(281,572)	(275,454)
		(112,877)	(102,757)	(1,965)	4,153
Non-controlling interests		(85,068)	(79,916)	-	-
(CAPITAL DEFICIENCY)/					
TOTAL EQUITY		(197,945)	(182,673)	(1,965)	4,153
Non-current liabilities					
Loans and borrowings	12	142,968	145,498	-	-
Deferred tax liabilities	13	1,188	2,471	-	-
Other payables	14	987	-	1,120	1,120
Total non-current liabilities		145,143	147,969	1,120	1,120
Current liabilities					
Loans and borrowings	12	99,748	94,912	90,723	86,012
Provisions	15	9,184	9,044	-	-
Trade and other payables	14	157,326	150,727	20,237	18,710
Total current liabilities		266,258	254,683	110,960	104,722
TOTAL LIABILITIES		411,401	402,652	112,080	105,842
TOTAL EQUITY AND LIABILITIES		213,456	219,979	110,115	109,995

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

BRAHIM'S HOLDINGS BERHAD
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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

		Group		Company	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
			(Restated)		
Revenue	16	111,880	168,994	600	500
Cost of sales	17	(66,885)	(93,803)	-	-
Gross profit		44,995	75,191	600	500
Other income	18	1,138	556	40	-
Administration expenses		(44,110)	(55,858)	(1,973)	(1,534)
Impairment losses					
on financial instruments		-	(34)	-	-
Reversal of impairment losses					
on financial instruments		1,482	2,373	-	-
Other expenses		(2,728)	(3,748)	-	-
Operating profit/(loss)		777	18,480	(1,333)	(1,034)
Finance income	19	138	17	124	-
Finance costs	20	(16,046)	(16,554)	(4,909)	(4,918)
(Loss)/Profit before tax	21	(15,131)	1,943	(6,118)	(5,952)
Taxation		(141)	(2,848)	-	-
Zakat		-	(65)	-	-
Total comprehensive income/ (loss) for the financial year		(15,272)	(970)	(6,118)	(5,952)
Profit/(loss) attributable to:					
Owners of the company		(10,120)	(5,180)	(6,118)	(5,952)
Non-controlling interests		(5,152)	4,210	-	-
		(15,272)	(970)	(6,118)	(5,952)
Total comprehensive income/ (loss) attributable to:					
Owners of the company		(10,120)	(5,180)	(6,118)	(5,952)
Non-controlling interests		(5,152)	4,210	-	-
		(15,272)	(970)	(6,118)	(5,952)

The accompanying notes form an integral part of these financial statement

Company No.: 198201002985 (82731-A)

BRAHIM'S HOLDINGS BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	← Attributable to owners of the Company →				
	Share capital RM'000	Accumulated losses RM'000 (Restated)	Sub-total RM'000 (Restated)	Non- controlling interests RM'000 (Restated)	Total equity RM'000 (Restated)
Group					
As at 1 January 2023	279,607	(377,184)	(97,577)	(84,126)	(181,703)
Total comprehensive loss for the financial year					
(Loss)/Profit for the financial year, representing					
total comprehensive loss for the financial year	-	(5,180)	(5,180)	4,210	(970)
As at 31 December 2023	279,607	(382,364)	(102,757)	(79,916)	(182,673)
Total comprehensive loss for the financial year					
Loss for the financial year, representing total					
comprehensive loss for the financial year	-	(10,120)	(10,120)	(5,152)	(15,272)
As at 31 December 2024	279,607	(392,484)	(112,877)	(85,068)	(197,945)

The accompanying notes form an integral part of these financial statements

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BRAHIM'S HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	<- Attributable to owners of the Company ->		
	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
Company			
As at 1 January 2023	279,607	(269,502)	10,105
Total comprehensive loss for the financial year			
Loss for the financial year, representing total comprehensive loss for the financial year	-	(5,952)	(5,952)
As at 31 December 2023	279,607	(275,454)	4,153
Total comprehensive loss for the financial year			
Loss for the financial year, representing total comprehensive loss for the financial year	-	(6,118)	(6,118)
As at 31 December 2024	279,607	(281,572)	(1,965)

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 2024**

		Group		Company	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
			(Restated)		
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit before taxation		(15,131)	1,943	(6,118)	(5,952)
<i>Adjustment for:-</i>					
Depreciation of property, plant and equipment	5	11,065	12,670	-	-
Finance costs	20	16,046	16,554	4,908	4,918
Finance income		(138)	(17)	-	-
Gain on disposal of property, plant and equipment		(10)	(85)	-	-
Impairment losses on trade and other receivables		-	43	-	-
Net unrealised foreign exchange loss		(117)	209	-	-
Reversal of impairment losses on:					
- trade receivable		(1,442)	(2,373)	-	-
- amount owing by subsidiaries		-	-	-	-
Operating profit/(loss) before changes in working capital		10,273	28,944	(1,210)	(1,034)
Changes in working capital:					
Inventory		360	(143)	-	-
Trade and other receivables		(1,795)	(33,962)	(70)	(2)
Trade and other payables		5,370	9,940	358	750
Net cash generated from/(used in) operations		14,208	4,779	(922)	(286)
Income tax paid		(517)	(47)	-	-
Interest received		9	17	-	-
Interest paid		(11,203)	(6,081)	-	(3)
Net cash generated from/ (used in) operating activities		2,497	(1,332)	(922)	(289)

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 2024 (CONT'D)

		Group		Company	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
			(Restated)		
CASH FLOWS FROM					
INVESTING ACTIVITIES					
Change in pledged deposits		(292)	3	(73)	3
Proceeds from disposal of					
property, plant and equipment		10	-	-	-
Disposal of property, plant					
and equipment		1,208	-	-	-
Purchase of property,					
plant and equipment	(a)	(2,575)	(931)	-	-
Repayments from subsidiaries		-	-	-	1,338
(Advances to)/Repayments					
from related parties		(132)	237	-	-
Net cash (used in)/generated		(1,781)	(691)	(73)	1,341
from investing activities					
CASH FLOWS FROM					
FINANCING ACTIVITIES					
Repayments of hire purchase	(b)	(14)	(627)	-	(52)
Payments of lease liabilities		(2,153)	(2,884)	-	-
Repayments of term loans		(207)	(1,000)	-	(1,000)
Advances from a subsidiary		-	-	1	-
Advances from related parties		-	4,250	-	-
Advances from director		972	40	972	40
Net cash (used in)/generated		(1,402)	(221)	973	(1,012)
from financing activities					
Net changes in cash and cash					
 equivalents during the					
 financial year		(686)	(2,244)	(22)	40
Cash and cash equivalents at					
 beginning of the financial year		2,737	4,981	90	50
Cash and cash equivalents					
 at end of the financial year	10	2,051	2,737	68	90

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 2024 (CONT'D)

(a) Purchase of property, plant and equipment:

	Group	
	2024	2023
	RM'000	RM'000
Purchase of property, plant and equipment	2,575	1,576
Financed by way of lease arrangements	-	(645)
Cash payments on purchase of property, plant and equipment	2,575	931

(b) Reconciliation of liabilities arising from financing activities:

	1 January 2024	Cash flows	Non-cash Others	31 December 2024
	RM'000	RM'000	RM'000	RM'000
Group				
Hire purchase payables	14	(14)	-	-
Lease liabilities	149,514	-	(2,153)	147,361
Term loans	90,882	(207)	-	90,675
Amount owing to related parties	14,505	-	-	14,505
Amount owing to a director	6,784	972	-	7,756
	261,699	751	- 2,153	260,297
Company				
Term loans	86,012	-	4,712	90,724
Amount owing to a subsidiary	7,781	1	196	7,978
Amount owing to a director	6,084	972	-	7,056
	99,877	973	4,908	105,758

BRAHIM'S HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

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

	1 January 2023 RM'000	Cash flows RM'000	Non-cash Others RM'000	31 December 2023 RM'000
Group				
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
	<u>260,321</u>	<u>(221)</u>	<u>1,599</u>	<u>261,699</u>
Company				
Hire purchase payables	52	(52)	-	-
Term loans	82,292	- 1,000	4,720	86,012
Amount owing to a subsidiary	7,544	237	-	7,781
Amount owing to a director	6,044	40		6,084
	<u>95,932</u>	<u>- 775</u>	<u>4,720</u>	<u>99,877</u>

BRAHIM'S HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

(c) Total cash outflows for leases as a lessee

		Group		Company	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Included in net cash used in operating activities:					
Payments relating to short-term leases	21	300	200	-	202
Payments relating to low value assets	21	5	9	-	-
Interest paid in relation to lease liabilities		11,203	6,002	-	-
Included in net cash used in financing activities:					
Repayment of lease liabilities		-	2,844	-	-
Total cash outflows for leases		11,508	9,055	-	202

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

BRAHIM'S HOLDINGS BERHAD
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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 of the Company is located at 7-05, 7th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 14.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 June 2025.

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

During the year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

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.

BRAHIM'S HOLDINGS BERHAD
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (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:

		<u>Effective dates for financial periods beginning on or after</u>
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to MFRS Accounting Standards— Volume 11		1 January 2026
• Amendments to MFRS 1	First Time Adoption of MFRS	
• Amendments to MFRS 7	Financial Instruments: Disclosure	
• Amendments to MFRS 9	Financial Instruments	
• Amendments to MFRS 10	Consolidated Financial Statements	
• Amendments to MFRS 107	Statements of Cash Flows	
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new MFRSs and amendments to MFRSs, if applicable, when they become effective.

The new MFRSs and Amendments to MFRSs above are expected to have no significant impact on the financial statements of the Company upon their initial application except for the changes in presentation and disclosures of financial information arising from the adoption of these amendments to MFRSs.

BRAHIM'S HOLDINGS BERHAD
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

2. BASIS OF PREPARATION (CONT'D)

2.4 Functional and presentation currency

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

2.5 Basis of measurement

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

2.6 Use of estimates and judgement

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

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

2.7 Fundamental accounting principle

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

- (a) During the financial year ended 31 December 2024, the Group had incurred a net profit of RM15.272 million while the Company had incurred a net loss of RM6.118 million and as of that date, the Group's and the Company's current liabilities exceeded the current assets by RM196.642 million and RM99.861 million respectively and the Group recorded a capital deficiency of RM197.945 million.

BRAHIM'S HOLDINGS BERHAD
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

2. BASIS OF PREPARATION (CONT'D)

2.7 Fundamental accounting principle (cont'd)

- (b) As disclosed in Note 20(a)(ii), 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 be immediately due and payable.

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.

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

Pursuant to a settlement proposal dated 30 May 2025, the Bank has agreed to accept a total settlement sum of RM35,000,000.00 as full and final settlement of all outstanding amounts, subject to specified terms and conditions. A non-refundable deposit of RM3,500,000 has been placed with the Bank's stakeholder, with the balance of RM31,500,000 payable by 23 July 2025.

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 of 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.

BRAHIM'S HOLDINGS BERHAD
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

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.

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 interest 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.

BRAHIM'S HOLDINGS BERHAD
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

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

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.

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 from 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 on 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 assets.

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.

BRAHIM'S HOLDINGS BERHAD
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(b) Non-controlling Interests

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

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

(c) 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 by 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.

BRAHIM'S HOLDINGS BERHAD
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Basis of consolidation (cont'd)

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

3.4 Financial instruments

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

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

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

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

(a) Subsequent measurement

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

(i) Financial assets

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

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

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

BRAHIM'S HOLDINGS BERHAD
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (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 assets 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 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).

BRAHIM'S HOLDINGS BERHAD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (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 assets to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred assets 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.

BRAHIM'S HOLDINGS BERHAD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (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 assets and any other costs that are directly attributable to bringing the asset to working conditions 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 2024 (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 assets' 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, including 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 2024 (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 5 and lease liabilities in Note 12.

Right-of-use asset

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

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

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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
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

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 of 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 initial 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 2024 (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
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

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
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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 includes 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 another 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 2024 (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 purposes. 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 exceeds 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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**NOTES TO THE FINANCIAL STATEMENTS
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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
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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 customers, i.e. when or as a performance obligation in the contract with customers is satisfied. A performance obligation is satisfied when or as the customer obtains control of the goods 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 2024 (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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**NOTES TO THE FINANCIAL STATEMENTS
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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 interest 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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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (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 2024 (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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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

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 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 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 2024 (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 events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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**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 6.

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**NOTES TO THE FINANCIAL STATEMENTS
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5. PROPERTY, PLANT AND EQUIPMENT

	Warehouse building and improvements RM'000	Containers, pallets, plant and machinery RM'000	Renovation and electrical installations RM'000	Signboard, furniture and fittings, EDP equipment and office equipment RM'000	Motor vehicles, lorries and trucks RM'000	Capital work-in- progress RM'000	Right-of-use assets RM'000	Total RM'000
Group								
2024								
Cost								
At 1 January 2024	36,463	112,595	2,604	85,435	47,382	1,219	149,395	435,093
Additions	-	192	80	1,977	13	313	-	2,575
Disposals	-	(55)	-	(1,113)	(8)	(1,207)	-	(2,383)
Reclassification	-	-	12	-	-	(12)	-	-
At 31 December 2024	36,463	112,732	2,696	86,299	47,387	313	149,395	435,285

BRAHIM'S HOLDINGS BERHAD

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Warehouse building and improvements RM'000	Containers, pallets, plant and machinery RM'000	Renovation and electrical installations RM'000	Signboard, furniture and fittings, EDP equipment and office equipment RM'000	Motor vehicles, lorries and trucks RM'000	Capital work-in- progress RM'000	Right-of-use assets RM'000	Total RM'000
Group 2024								
Accumulated depreciation								
At 1 January 2024	15,999	105,335	2,250	83,363	45,398	-	20,928	273,273
Depreciation charge for the financial year	682	1,803	198	350	261	-	7,771	11,065
Disposals	-	(55)	-	(1,113)	(8)	-	-	(1,176)
Reclassification	-	-	-	-	-	-	-	-
At 31 December 2024	16,681	107,083	2,448	82,600	45,651	-	28,699	283,162
Accumulated impairment losses								
At 1 January 2024	-	6774	-	1,859	1,176	-	-	9,809
Reversal of impairment loss	-	(1,412)	-	(30)	-	-	-	(1,442)
At 31 December 2024	-	5,362	-	1,829	1,176	-	-	8,367
Carrying amount								
At 31 December 2024	19,782	287	248	1,870	560	313	120,696	143,756

Company No.: 198201002985 (82731-A)

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**NOTES TO THE FINANCIAL STATEMENTS
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5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Warehouse building and improvements RM'000	Containers, pallets, plant and machinery RM'000	Renovation and electrical installations RM'000	Signboard, furniture and fittings, EDP equipment and office equipment RM'000	Motor vehicles, lorries and trucks RM'000	Capital work- in-progress RM'000	Right-of-use assets RM'000	Total RM'000
Group								
2023								
Cost								
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

Company No.: 198201002985 (82731-A)

BRAHIM'S HOLDINGS BERHAD

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Warehouse building and improvements RM'000	Containers, pallets, plant and machinery RM'000	Renovation and electrical installations RM'000	Signboard, furniture and fittings, EDP equipment and office equipment RM'000	Motor vehicles, lorries and trucks RM'000	Capital work- in-progress RM'000	Right-of- use assets RM'000	Total RM'000
Group								
2023								
Accumulated depreciation								
At 1 January 2023	15,317	104,464	2,047	82,890	44,182	-	13,112	262,012
Depreciation charge for 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
Accumulated impairment losses								
At 1 January 2023/ 31 December 2023	-	6,774	-	1,859	1,176	-	-	9,809
Carrying amount								
At 31 December 2023	20,464	486	354	213	808	1,219	128,468	152,012

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Renovation and electrical installations RM'000	Furniture and fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Company				
2024				
Cost				
At 1 January 2024/				
31 December 2024	93	400	605	1,098
Accumulated depreciation				
At 1 January 2024/				
31 December 2024	93	400	605	1,098
Carrying amount				
At 31 December 2024	-	-	-	-
2023				
Cost				
At 1 January 2023/				
31 December 2023	93	400	605	1,098
Accumulated depreciation				
At 1 January 2023				
31 December 2023	93	399	605	1,097
Carrying amount				
At 31 December 2023	-	1	-	1

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

5. 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 12(c)) are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Containers, pallets, plant and machinery	179	210	-	-

(b) Right-of-use assets

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

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

	Leasehold land	Buildings	Total
	RM'000	RM'000	RM'000
Carrying amount			
At 1 January 2023	388	135,709	136,097
Additions	-	646	646
Depreciation	(15)	(8,260)	(8,275)
At 31 December 2023	373	128,095	128,468
Depreciation	(15)	(7,757)	(7,772)
At 31 December 2024	358	120,338	120,696

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

5. 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.

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 RM122.373 million (2023: RM129.578 million) with the corresponding lease liabilities of RM146.210 million (2023: 148.363 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 improvement of the outlook for airline and related industries, the Group expects the value-in-use of its cash-generating unit to exceed the carrying amount and hence no further impairment.

6. INVESTMENT IN SUBSIDIARIES

	Company	
	2024	2023
	RM'000	RM'000
Unquoted shares - at cost	191,334	191,334
Less: Impairment losses		
At beginning/end of the financial year	(92,318)	(92,318)
	99,016	99,016

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Effective equity interest		Principal Activities
		2024	2023	
		%	%	
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.	Malaysia	60	60	Dormant
Subsidiary of BDIH				
Brahim's Food Services Sdn. Bhd.	Malaysia	35.7	35.7	Catering and catering related services

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

6. 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
		2024 %	2023 %
BDIH	Malaysia	64.3	64.3
ASB	Malaysia	40	40

Carrying amount of non-controlling interests:

Name of company	2024 RM'000	2023 RM'000 (Restated)
BDIH	(80,544)	(75,393)
ASB	(4,524)	(4,523)
	<u>(85,068)</u>	<u>(79,916)</u>

Profit or loss allocated to non-controlling interests:

Name of company	2024 RM'000	2023 RM'000 (Restated)
BDIH	(5,151)	4,214
ASB	(1)	(4)
	<u>(5,152)</u>	<u>4,210</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

6. 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:

	BDIH RM'000	ASB RM'000
Summarised statement of financial position		
As at 31 December 2024		
Current assets	64,668	20
Non-current assets	122,373	-
Current liabilities	(157,333)	(11,505)
Non-current liabilities	(143,238)	-
Net liabilities	<u>(113,530)</u>	<u>(11,485)</u>
Summarised statement of comprehensive income		
Financial year ended 31 December 2024		
Revenue	106,432	-
Loss for the financial year	(8,024)	(4)
Total comprehensive loss	<u>(8,024)</u>	<u>(4)</u>
Summarised cash flow information		
Financial year ended 31 December 2024		
Net cash flows from/(used in) operating activities	3,801	-
Net cash flows used in investing activities	(1,527)	-
Net cash flows used in financing activities	<u>(2,104)</u>	<u>-</u>
Net decrease in cash and cash equivalents	<u>170</u>	<u>-</u>
Dividends paid to non-controlling interests	<u>-</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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6. 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)

	BDIH RM'000 (Restated)	ASB RM'000
Summarised statement of financial position		
As at 31 December 2023		
Current assets	62,915	20
Non-current assets	129,578	-
Current liabilities	(152,160)	(11,501)
Non-current liabilities	(145,839)	-
Net liabilities	<u>(105,506)</u>	<u>(11,481)</u>
Summarised statement of comprehensive income		
Financial year ended 31 December 2023		
Revenue	163,422	-
Profit/(Loss) for the financial year	6,554	(10)
Total comprehensive income/(loss)	<u>6,554</u>	<u>(10)</u>
Summarised cash flow information		
Financial year ended 31 December 2023		
Net cash flows used in operating activities	(1,379)	(8)
Net cash flows (used in)/from investing activities	(510)	8
Net cash flows used in financing activities	(85)	-
Net increase in cash and cash equivalents	<u>(1,974)</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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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

7. GOODWILL

	Group	
	2024	2023
	RM'000	RM'000
Cost	282,563	282,563
Accumulated impairment losses	(282,479)	(282,479)
Carrying amount	84	84

8. INVENTORIES

	Group	
	2024	2023
	RM'000	RM'000
At cost:		
Catering stores	1,585	1,786
Maintenance stores	1,582	1,664
General stores	443	520
	3,610	3,970

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM36.313million (2023: RM 55.385million).

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NOTES TO THE FINANCIAL STATEMENTS
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9. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM,000
Non-current:					
Non-trade					
Amount owing by a subsidiary		-	-	2,699	2,699
Less: Impairment losses					
- amount owing by a subsidiary		-	-	(2,699)	(2,699)
(b)		-	-	-	-
Current:					
Trade					
Trade receivables		47,823	47,905	-	-
Less: Impairment losses		(2,512)	(2,506)	-	-
(a)		45,311	45,399	-	-
Non-trade					
Other receivables		2,083	2,709	-	23
Amounts owing by subsidiaries	(b)	-	-	22,601	22,508
Amounts owing by related party	(c)	423	369	-	-
Deposits		9,213	8,595	15	15
Prepayments		2,094	332	-	-
		13,813	12,005	22,616	22,546
Less: Impairment losses					
- amounts owing by subsidiaries	(b)	-	-	(13,570)	(13,570)
		-	-	(13,570)	(13,570)
		13,813	12,005	9,046	8,976
Total trade and other receivables (current)		59,124	57,404	9,046	8,976
Total trade and other receivables (non-current and current)		59,124	57,404	9,046	8,976

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

9. 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 (2023: 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:

	Group	
	2024	2023
	RM'000	RM'000
At 1 January	2,506	5,346
Charged for the financial year		
- Individually assessed	6	43
- Collectively assessed	-	(510)
Reversal of impairment losses	-	(2,373)
At 31 December	2,512	2,506

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 is 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:

	Company	
	2024	2023
	RM'000	RM'000
At 1 January	16,269	16,269
Reversal of impairment losses	-	-
At 31 December	16,269	16,269

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

9. 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.

10. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	2,051	2,737	68	90
Short-term deposits	3,781	3,187	1,985	1,912
	5,832	5,924	2,053	2,002

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Short-term deposits	3,781	3,187	1,985	1,912
Less: Pledged deposits and deposits with maturity more than 3 months	(3,781)	(3,187)	(1,985)	(1,912)
	-	-	-	-
Cash and bank balances	2,051	2,737	68	90
	2,051	2,737	68	90

- (a) The short-term deposits of the Group and the Company bear interest at a rate of 1.55% (2023: 1.55%) per annum and their maturity period ranging from 1 month to 12 months (2023: 1 month to 12 months)
- (b) Short-term deposits of the Group and the Company amounting to RM1.495 million and RM1.828 million respectively (2023: RM1.276 million and RM1.828 million respectively) pledged as bank guarantee to third party creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
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10. CASH AND SHORT-TERM DEPOSITS (CONT'D)

- (c) Short-term deposits of the Group and the Company amounting to RM0.157 million (2023: RM0.084 million) are pledged for banking facilities as disclosed in Note 12(a).

11. SHARE CAPITAL

	Group and Company			
	Number of shares		Amounts	
	2024 Unit'000	2023 Unit'000	2024 RM'000	2023 RM'000
Issued and fully paid up (no par value)				
At the beginning / At the end of the financial year	307,171	307,171	279,607	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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

12. LOANS AND BORROWINGS

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Non-current:					
Lease liability	(b)	142,968	145,498	-	-
Hire purchase payables	(c)	-	-	-	-
		142,968	145,498	-	-
Current:					
Term loans	(a)	95,563	90,882	90,723	86,012
Lease liabilities	(b)	4,185	4,016	-	-
Hire purchase	(c)	-	14	-	-
		99,748	94,912	90,723	86,012
		242,716	240,410	90,723	86,012
Total loans and borrowings and borrowings					
Term loans	(a)	95,563	90,882	90,723	86,012
Lease liabilities	(b)	147,153	149,514	-	-
Hire purchase payables	(c)	-	14	-	-
		242,716	240,410	90,723	86,012

(a) Term loans

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Term loan I	4,839	4,870	-	-
Term loan II	90,724	86,012	90,723	86,012
	95,563	90,882	90,723	86,012

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**NOTES TO THE FINANCIAL STATEMENTS
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12. 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% (2023: 7.50%) per annum and is secured and supported as follows:

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

Term loan II

Term loan II bears interest at a rate of 7.65% (2023: 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 10(c).

(ii) In 2022, the Company received a letter of demand 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.

Subsequently, OCBC had initiated a legal action and the first hearing was held on 6 June 2024. Pursuant to a settlement proposal dated 30 May 2025, the Bank has agreed to accept a total settlement sum of RM35,000,000 as full and final settlement of all outstanding amounts, subject to specified terms and conditions. A non-refundable deposit of RM3,500,000 has been placed with the Bank's stakeholder, with the balance of RM31,500,000 payable by 23 July 2025.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. LOANS AND BORROWINGS (CONT'D)

(b) Lease liabilities

The interest rate implicit in the leases is 7.65% (2023: 7.65%) per annum.

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

	Group	
	2024	2023
	RM'000	RM'000
Minimum lease payments:		
Not later than one year	15,143	15,175
Later than one year and not later than five years	55,634	54,948
Later than five years	196,543	210,717
	267,320	280,840
Less: Future finance charges	(120,166)	(131,326)
Present value of minimum lease payments	147,154	149,514
Present value of minimum lease payments:		
Not later than one year	4,185	4,016
Later than one year and not later than five years	14,083	12,472
Later than five years	128,885	133,026
	147,153	149,514
Less: Amount due within 12 months	(4,185)	(4,016)
Amount due after 12 months	142,968	145,498

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12. LOANS AND BORROWINGS (CONT'D)

(c) Hire purchase payables

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Minimum lease payments:				
Not later than one year	-	21	-	-
Later than one year and not later than five years	-	-	-	-
	<u>-</u>	<u>21</u>	<u>-</u>	<u>-</u>
Less: Future finance charges	-	(7)	-	-
	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>-</u>
Present value of minimum lease payments	<u>-</u>	<u>14</u>	<u>-</u>	<u>-</u>
Present value of minimum lease payments:				
Not later than one year	-	14	-	-
Later than one year and not later than five years	-	-	-	-
	<u>-</u>	<u>14</u>	<u>-</u>	<u>-</u>
Less: Amount due within 12 months	-	(14)	-	-
Amount due after 12 months	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Certain plant and machineries and motor vehicle of the Group and of the Company as disclosed in Note 5 are pledged for leases. Such leases do not have terms for renewal which would give the Company an option to purchase at nominal values at the end of lease term. The implicit rates of the leases ranging from 2.70% to 2.85% (2023: 2.70% to 2.85%) per annum.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

13. DEFERRED TAX LIABILITIES

	Group	
	2024	2023
	RM'000	RM'000
At 1 January	(2,471)	(1,188)
Recognise in profit or loss (Note 23)	141	(1,283)
At 31 December	(2,330)	(2,471)

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

	Group	
	2024	2023
	RM'000	RM'000
Deferred tax assets		
Impairment losses on trade receivables	5	-
Unabsorbed capital allowances	252	127
Right-of-use assets	29	7
	286	134
Deferred tax liabilities		
Differences between the carrying amount of property plant and equipment and their tax bases	(2,347)	(2,474)
Provisions	(269)	(131)
	(2,616)	(2,605)
	(2,330)	(2,471)

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

13. 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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses	172,154	167,434	23,754	11,454
Unabsorbed capital allowances	282	930	1	1
Property, plant and equipment	31	9	-	-
Right-of-use assets	4,386	7,114	-	-
Provisions	1,168	1,248	-	-
	<u>178,021</u>	<u>176,735</u>	<u>23,755</u>	<u>11,455</u>
Potential deferred tax assets not recognised at 24% (2023:24%)	<u>42,725</u>	<u>42,416</u>	<u>5,701</u>	<u>2,749</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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
2025	-	5,041	23,754	11,454
2026	46,849	37,034	-	-
2027	78,153	79,256	-	-
2028	47,152	46,103	-	-
	<u>172,154</u>	<u>167,434</u>	<u>23,754</u>	<u>11,454</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

14. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2024 RM'000	2023 RM'000 (Restated)	2024 RM'000	2023 RM'000
Non-current:					
Non-trade					
Other payables		987	-	-	-
Amount owing to a subsidiary	(b)	-	-	1,120	1,120
		<u>987</u>	<u>-</u>	<u>1,120</u>	<u>1,120</u>
Current:					
Trade					
Trade payables	(a)	53,294	58,868	-	-
Non-trade					
Other payables		29,775	44,814	6,718	5,572
Accruals		52,916	25,756	71	17
Amount owing to a subsidiary	(b)	-	-	6,858	6,661
Amounts owing to related parties	(b)	14,437	14,505	386	376
Amount owing to a director	(b)	6,904	6,784	6,204	6,084
Total trade and other payables (current)		<u>157,326</u>	<u>150,727</u>	<u>20,237</u>	<u>18,710</u>
Total trade and other payables (non-current)					

(a) Trade payables

The normal trade credit terms granted to the Group ranging from 30 to 60 days (2023: 30 to 60 days).

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

14. 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 (2023: RM2.800 million), which is non-trade in nature, unsecured, bears interest at a rate of 7% (2023: 7%) per annum and is repayable from 2021 to 2023. The amount classified in non-current liability is RM1.120 million (2023: RM1.120 million).

Include in amounts owing to related parties of the Group is advances from a related party amounting to RM14.051 million (2023: RM14.028 million) which is non-trade in nature, unsecured, bears interest at a rate of 7% (2023: 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.

15. PROVISIONS

	Legal claim	Zakat	Taxation	Total
	RM'000	RM'000	RM'000	RM'000
Group				
At 31 December 2023	6,900	627	1,517	9,044
Addition	-	-	140	140
At 31 December 2024	6,900	627	1,657	9,184

(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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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

16. REVENUE

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Revenue from contract customers:				
Catering and catering related services	106,432	163,424	-	-
Warehousing revenue	3,985	4,100	-	-
Logistics related services	1,463	1,470	-	-
	111,880	168,994	-	-
Revenue from other source:				
Management fees	-	-	600	500
	111,880	168,994	600	500

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

	Catering and catering related services	Warehousing and logistic related services	Management fees	Total
	RM'000	RM'000	RM'000	RM'000
Group				
2024				
Timing of revenue recognition:				
At a point in time	106,432	1,463	-	107,895
Over time	-	3,985	-	3,985
	106,432	5,448	-	111,880
2023				
Timing of revenue recognition:				
At a point in time	163,422	1,470	-	164,892
Over time	2	4,100	-	4,102
	163,424	5,570	-	168,994

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16. 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:

Company

2024

Timing of revenue
recognition:

Over time	<u>-</u>	<u>-</u>	<u>600</u>	<u>600</u>
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Company

2023

Timing of revenue
recognition:

Over time	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
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17. COST OF SALES

	Group	
	2024	2023
	RM'000	RM'000
Catering and catering related services	62,350	88,679
Warehousing	3,201	3,963
Logistics related services	1,334	1,161
	<u>66,885</u>	<u>93,803</u>

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18. OTHER INCOME

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Gain on disposal of property, plant and equipment	9	85	-	-
Gain on lease modification	-	80	-	-
Rental income	4	5	-	-
Net unrealised gain on foreign exchange	117	-	-	-
Reversal of provision of doubtful debt	-	-	40	-
Management fee	45	-	-	-
Others	963	386	-	-
	1,138	556	40	-

19. FINANCE INCOME

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest income on:				
- short-term deposits	138	17	124	-

20. FINANCE COSTS

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
- term loans	4,798	4,802	4,713	4,719
- lease liabilities	11,242	11,595	-	-
- hire purchase payables	6	34	-	3
- amount owing to a subsidiary	-	123	196	196

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21. (LOSS)/PROFIT 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	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Auditors' remuneration					
- Statutory audit fees					
- current year		178	178	50	50
- prior year		-	(5)	-	-
Depreciation on property, plant and equipment	5	11,065	12,670	-	-
Employee benefits expense	22	36,568	44,621	1,155	1,160
Expenses relating to short-term leases		300	200	240	202
Expenses relating to low value assets		5	9	-	-
Impairment losses on trade and other receivables		-	10	-	-
Loss on lease modification		-	-	-	-
Net realised loss on foreign exchange		154	112	-	-
Net (gain)/loss unrealised loss on foreign exchange		(117)	209	-	-
Reversal of impairment on trade receivables and other receivables		-	(2,373)	(40)	-

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22. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Salaries, bonus and other benefits	33,421	41,223	1,123	1,125
Defined contribution plan	3,147	3,398	32	35
	36,568	44,621	1,155	1,160

Included in employee benefits expense are:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Executive director				
- Fees	132	107	132	107
- Other emoluments	2,142	1,461	660	660
	2,274	1,568	792	767
Non executive directors				
- Fees	60	60	60	60
Directors of the subsidiaries				
Executive director				
- Other emoluments	-	455	-	-
	60	515	60	60
	2,334	2,083	852	827

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**NOTES TO THE FINANCIAL STATEMENTS
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23. TAXATION

The major components of income tax for the financial years ended 31 December 2024 and 31 December 2023 are as follows:

	Group	
	2024	2023
	RM'000	RM'000
Statement of comprehensive income		
Current income tax	188	1,565
Deferred tax (Note 21)		
- Origination and reversal of temporary differences	-	1,283
- Over provision in prior financial year	(47)	-
	(47)	1,283
Income tax expense/(credit) recognised in profit or loss	141	2,848

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23. TAXATION (CONT'D)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2023: 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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax	(15,121)	1,943	(6,118)	(5,952)
Tax at Malaysian statutory income tax rate of 24% (2023: 24%)	(3,629)	466	(1,468)	(1,429)
Income not subject to tax	(603)	(50)	-	(120)
Non-deductible expenses	2,803	1,186	313	1,168
Deferred tax assets not recognised during the financial year	1,961	-	1,155	381
Utilisation of deferred tax asset not recognised	(485)	(1,602)	-	-
Under/(Over) provision in prior financial years				
- current tax	(47)	-	-	-
Income tax expense/(credit)	-	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
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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")

	Carrying amount RM'000	AC RM'000
At 31 December 2024		
Financial assets		
Group		
Trade and other receivables, net of prepayments	57,030	57,030
Cash and short-term deposits	5,832	5,832
	62,862	62,862
Company		
Other receivables	9,046	9,046
Cash and short-term deposits	2,053	2,053
	11,099	11,099
Financial liabilities		
Group		
Trade and other payables	(157,326)	(157,326)
Loans and borrowings	(242,716)	(242,716)
	(400,042)	(400,042)
Company		
Other payables	(21,357)	(21,357)
Loans and borrowings	(90,723)	(90,723)
	(112,080)	(112,080)

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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)

	Carrying amount RM'000 (Restated)	AC RM'000
At 31 December 2023		
Financial assets		
Group		
Trade and other receivables, net of prepayments	57,072	57,072
Cash and short-term deposits	5,924	5,924
	<u>62,996</u>	<u>62,996</u>
Company		
Other receivables	8,976	8,976
Cash and short-term deposits	2,002	2,002
	<u>10,978</u>	<u>10,978</u>
Financial liabilities		
Group		
Trade and other payables	(150,727)	(150,727)
Loans and borrowings	(240,410)	(240,410)
	<u>(391,137)</u>	<u>(391,137)</u>
Company		
Other payables	(19,830)	(19,830)
Loans and borrowings	(86,012)	(86,012)
	<u>(105,842)</u>	<u>(105,842)</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 (2023:2) customers representing approximately 69% (2023: 69%) of the total trade receivables.

The Group applies the simplified approach to providing 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 defaulting upon initial recognition of assets 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 to 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.

At the end of the reporting date, the Group and the Company considered the other receivables and other financial assets as low risk and did not recognise any loss allowance for impairment of 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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**NOTES TO THE FINANCIAL STATEMENTS
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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 →				
	Carrying amount RM'000 (Restated)	On demand or within 1 year RM'000 (Restated)	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000 (Restated)
Group					
At 31 December 2024					
Trade and other payables	157,326	157,326	-	-	157,326
Hire purchase payables	-	-	-	-	-
Lease liabilities	147,153	4,185	50,763	92,205	147,153
Term loans	95,563	95,563	-	-	95,563
	400,042	257,074	50,763	92,205	400,042
At 31 December 2023					
Trade and other payables	150,727	150,727	-	-	150,727
Hire purchase payables	14	14	-	-	14
Lease liabilities	149,514	15,175	54,948	210,717	280,840
Term loans	90,882	95,685	-	-	95,685
	391,137	261,601	54,948	210,717	527,266

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**NOTES TO THE FINANCIAL STATEMENTS
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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: (cont'd)

	Contractual cash flows			
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	Total RM'000
Company				
At 31 December 2024				
Other payables	21,357	20,237	1,120	21,357
Term loans	90,723	95,436	-	95,436
	112,080	115,673	1,120	116,793
At 31 December 2023				
Other payables	19,830	18,710	1,120	19,830
Term loans	86,012	90,730	-	90,730
	105,842	109,440	1,120	110,560

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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:

	Group	
	2024	2023
	RM'000	RM'000
Financial assets and liabilities not held in functional currency:		
<u>Loans and borrowings</u>		
United States Dollar	<u>4,839</u>	<u>(4,870)</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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**NOTES TO THE FINANCIAL STATEMENTS
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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 rate %	Effect on loss for the financial year RM'000	Effect on equity RM'000
Group			
At 31 December 2024			
-USD	1%	(48)	(48)
	-1%	48	48
At 31 December 2023			
-USD	+1%	(35)	(35)
	-1%	35	35

(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 million and Company, RM86.012 million (2023: Group, RM90.882 million and Company, RM86.012 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 2024 would decrease/increase by RM0.359 million (2023: RM0.359 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 are 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 (2023: no transfer in either direction).

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

	Carrying amount RM'000	Fair value of financial instruments not carried at fair value Level 2 RM'000
Group		
31 December 2024		
Financial liabilities		
Term loans	<u>4,839</u>	<u>4,839</u>
31 December 2023		
Financial liabilities		
Term loans	4,870	4,870
Hire purchase payables	<u>14</u>	<u>14</u>

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25. BANK GUARANTEES

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Bank guarantee facilities in favour of third party creditors	2,318	2,318	1,600	1,600

The Group and the Company are exposed to credit risk in relation to bank guarantee given to certain parties for services rendered to the Group and the Company. The maximum exposure to credit risks amounts to RM2.318 million and RM1.6 million respectively (2023: RM2.318 million and RM1.6 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 6.
- (ii) Corporate shareholders of subsidiaries and their related companies.
- (iii) Entities in which directors have substantial financial interests.
- (iv) Key management personnel of the Group and of the Company comprise people (including directors) who have the authority and responsibility for planning, diversifying and controlling the activities directly or indirectly.

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Subsidiaries				
- Management fees	-	-	(600)	(500)
- Interest expense	-	-	196	196
Rental and utilities	-	-	240	202
	<u>-</u>	<u>-</u>	<u>240</u>	<u>202</u>
Corporate shareholder of a subsidiary				
- Sales of goods and services	(95)	(85,185)	-	-
- Expenses charged:				
- Rental	213	694	-	-
- Supply of water	678	10,651	-	-
- Electricity	6,648	1,697	-	-
	<u>6,648</u>	<u>1,697</u>	<u>-</u>	<u>-</u>
Entities in which a director has substantial financial interests				
- Purchase of supplies	-	8	-	-
	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>

(c) Compensation of key management personnel

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Short-term employee benefits	2,111	1,795	852	827
Post-employment employee benefits	223	288	-	-
	<u>2,334</u>	<u>2,083</u>	<u>852</u>	<u>827</u>

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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	
		2024 RM'000	2023 RM'000 (Restated)	2024 RM'000	2023 RM'000
Trade and other payables	14	157,326	150,727	21,357	19,830
Loans and borrowings	12	242,716	240,410	90,723	86,012
Less: Cash and short-term deposits	10	(5,832)	(5,924)	(2,053)	(2,002)
Net debts		394,210	385,213	110,027	103,840
(Capital deficiency)/ Total equity		(197,945)	(182,673)	(1,965)	4,153

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

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28. PRIOR YEAR ADJUSTMENT

The change to a company's financial statements to correct a material error from a previous accounting period is accounted for in accordance with FRS 108, by retrospectively restating the comparative figures are restated as follows:

	As previously stated RM	Prior year adjustment RM	As restated RM
Group			
Statement of Changes in Equity			
Equity			
Accumulated losses	(376,936)	(248)	(377,184)
Non-controlling interests	(83,678)	(448)	(84,126)
Statement of Financial Position			
Current Payables	144,942	5,785	150,727
Statement of Comprehensive Income			
Administrative expense	(50,769)	(5,089)	(55,858)

Prior year adjustment relates to the underprovision of electricity charges, as the prior year's amounts were recorded based on estimates, while the actual invoices were only received in 2024. As a result, the company had understated electricity charges by RM5.785 million in 2023.

29. 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 and also filed a Counter Claim against MAB for inter alia total sum of RM805,336,732.65. The case is still ongoing.
- (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.

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29. MATERIAL LITIGATIONS (CONT'D)

- (c) Brahim's Holdings Berhad ("BHB") and Fahim Capital Sdn. Bhd. ("FCSB") were defendants in a legal action initiated by OCBC Al-Amin Bank Berhad ("the Bank") in the Kuala Lumpur High Court under Civil Suit No.: WA-22M-1787-12/2023 in relation to an *Ijarah Muntahiah Bittamlik Term Financing-i Facility* amounting to RM155,000,000.00. As of 30 September 2023, the total outstanding balance under the financing facilities was RM81,466,152.16.

Pursuant to a settlement proposal dated 30 May 2025, the Bank has agreed to accept a total settlement sum of RM35,000,000.00 as full and final settlement of all outstanding amounts, subject to specified terms and conditions. A non-refundable deposit of RM3,500,000 has been placed with the Bank's stakeholder, with the balance of RM31,500,000 payable by 23 July 2025.

Upon full settlement and compliance with the agreed terms, the Bank will withdraw all legal actions and winding-up proceedings filed against BHB and FCSB with no order as to costs.