Brahim's®

We Deliver the Taste of the World

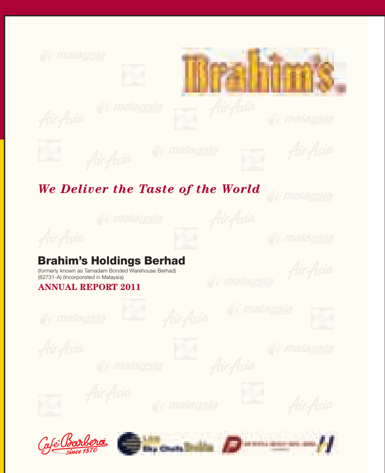
Brahim's Holdings Berhad

(formerly known as Tamadam Bonded Warehouse Berhad)
(82731-A) (Incorporated in Malaysia)

ANNUAL REPORT 2011

Café Barbera since 1870 · LSG Sky Chefs Brahim · DEWINA HOST SDN. BHD.

Contents



Cover Rationale

At Brahim's Holdings Berhad, we identify and create opportunities by rebuilding and realigning our core businesses and capabilities to meet the changing needs of the economic landscape to stay relevant.

By rising to the occasion, it heightens our ability to create new and rewarding business opportunities and possibilities for our customers – and ourselves.

Our innovative products and services create an atmosphere charged with optimistic entrepreneurial energy. This energy is emphasised in the use of the Group's strong corporate colours – maroon symbolising energy and strength, and rich yellow reflecting optimism and heritage.

Creating Opportunities

We identify and create opportunities by rebuilding and realigning our capabilities to correspond with our business needs. Within the last year, we transformed the Group's core business to stay profitable and relevant. By rising to the occasion, it heightens our ability to create new and rewarding business opportunities for our investors, shareholders – and ourselves.

History & Milestones

1982
- Tamadam Bonded Warehouse Sdn Bhd was founded by Yang Mulia Dato' Seri Tunku Mahmud bin Tunku Besar Burhanuddin. The company is engaged in the business of providing bonded warehousing, freight forwarding and transportation services.

1984
- Awarded bonded warehouse licence.

1994
- Listed on Bursa Malaysia Stock Exchange.

1997
- Tamadam 2 opened.

2001
- Warehouse management system implemented with Baan ERP software.

2002
- E-fulfilment software introduced.

2003
- Tamadam 3, 5 and 6 opened.

2004
- Tamadam 7 and 8 opened

2006
- ISO 9001:2000 certification.

2008
- Acquisition of 51% of Brahim's - LSG Sky Chefs Holdings Sdn Bhd for RM130 million. With the completion of the acquisition, the Group's new core business is focused on food services.

2009
- Ventured into Cafè Barbera franchise with licensing rights for Malaysia, Singapore and Indonesia. Founded in 1870, Barbera Caffè S.p.A., based in Naples, Italy offers world-class Italian gastro-culinary fare.

2010
- Memorandum of Understanding between LSG Sky Chefs-Brahim's Sdn Bhd and Halal Industry Development Corporation Sdn Bhd.
- The food services division achieved a robust result of 97% of the Group's revenue. LSGB served up to 36 airlines with a total output of about 50,000 meals per day and is the world's biggest halal flight kitchen and garnered multi-winning awards for quality and excellence.
- Unwound Tamadam 1.

2011
- Completed acquisition of 51% equity interest in Dewina Host Sdn Bhd for a cash consideration of RM20.0 million.
- Change of name from Tamadam Bonded Warehouse Berhad to Brahim's Holdings Berhad with effect from 1 June 2011.
- Commenced divestment of Tamadam 2.

BRAHIM'S HOLDINGS BERHAD

Symbol & Code: BRAHIMS (9474) Board: Main Industry: Trading/Services

Prev	Open	High	Low	Last	Change	% chg	Volume
1.1	1.1	1.11	1.09	1.11	0.01	0.91	3474

Share Price Performance	High	Low
Prices 1 Month	1.300 (08-Mar-12)	1.050 (29-Mar-12)
Prices 3 Months	1.300 (08-Mar-12)	0.460 (04-Jan-12)
Prices 12 Months	1.300 (08-Mar-12)	0.375 (23-Nov-12)
Volume 12 Months	106,814 (17-Jan-12)	2 (31-Oct-12)

(Extracted from http://biz.thestar.com.my)

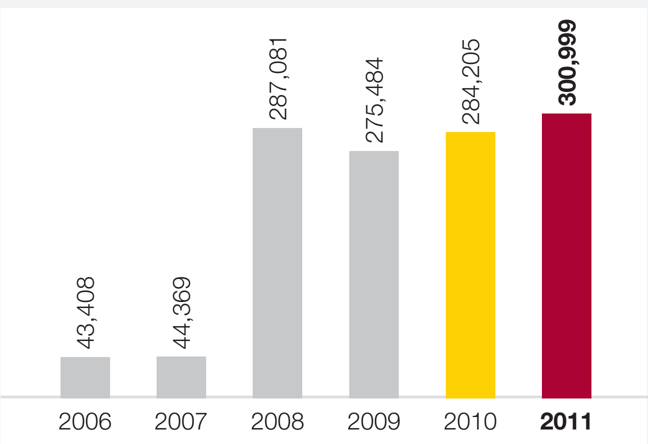
Financial Highlights 2011

SUMMARY OF FINANCIAL STATEMENT

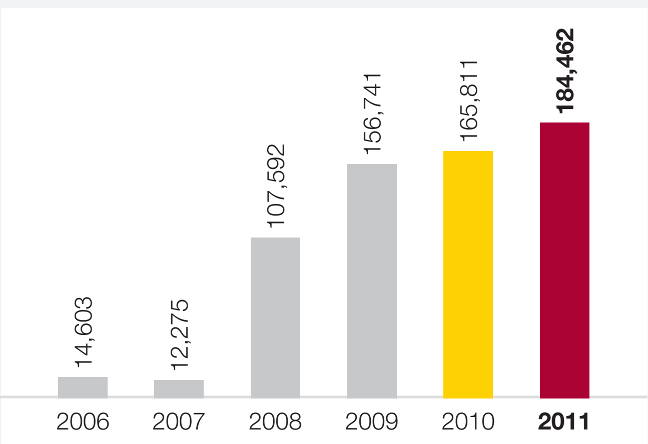
	2006	2007	2008	2009	2010*	2011
Statements of Comprehensive Income (RM '000)						
Revenue	14,603	12,275	107,592	156,741	165,811	184,462
Profit/(Loss) before tax	3,931	(699)	1,639	11,176	19,639	22,813
Profit/(Loss) after tax	3,931	(699)	(3,660)	5,977	12,244	14,950
Profit/(Loss) attributable to equity holders of the company	3,931	(699)	(4,103)	2,382	6,552	8,636
EPS/(LPS) (sen)	8.02	(1.43)	(2.80)	1.33	3.66	4.82
Statements of Financial Position (RM '000)						
Issued and paid-up capital	49,005	49,005	179,005	179,005	179,005	179,005
Total equity	26,432	25,732	159,890	152,051	164,294	177,717
Total assets	43,408	44,369	287,081	275,484	270,460	300,999

* restated

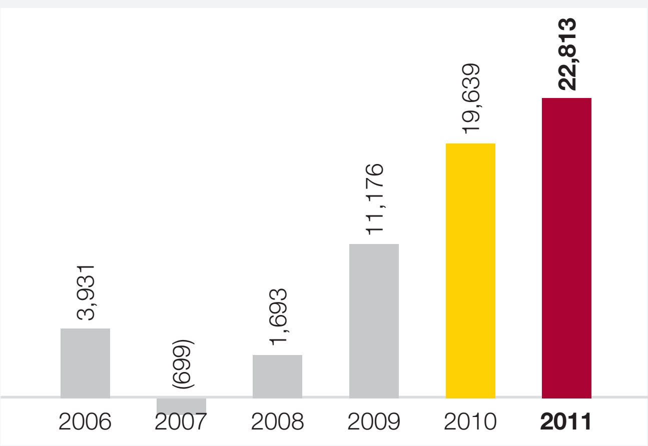
TOTAL ASSETS (RM '000)



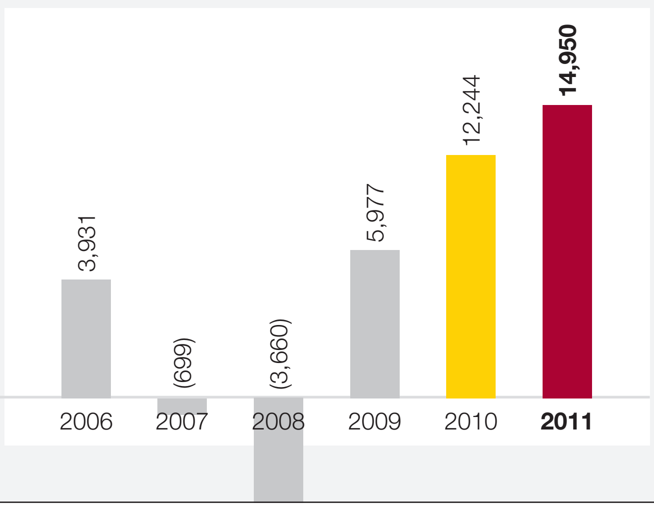
REVENUE (RM '000)



PROFIT/(LOSS) BEFORE TAXATION (RM '000)



PROFIT/(LOSS) AFTER TAXATION (RM '000)



Board of Directors

01 **Datuk Ibrahim Bin Haji Ahmad**
Executive Chairman

02 **Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain**
Non-Independent Non-Executive Director

03 **Col (Rtd) Dato' Ir Cheng Wah**
Independent Non-Executive Director

04 **Goh Joon Hai**
Independent Non-Executive Director

05 **Mohamed Zamry Bin Mohamed Hashim**
Non-Independent Non-Executive Director

06 **Dato' Choo Kah Hoe**
Non-Independent Non-Executive Director

07 **Cheam Heng Cheang**
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Col (Rtd) Dato' Ir Cheng Wah
Chairman/Independent Non-Executive Director

Goh Joon Hai
Independent Non-Executive Director

Dato' Choo Kah Hoe
Non-Independent Non-Executive Director

NOMINATION COMMITTEE

Goh Joon Hai
Chairman/Independent Non-Executive Director

Col (Rtd) Dato' Ir Cheng Wah
Independent Non-Executive Director

Dato' Choo Kah Hoe
Non-Independent Non-Executive Director

REMUNERATION COMMITTEE

Dato' Choo Kah Hoe
Chairman/Non-Independent Non-Executive Director

Goh Joon Hai
Independent Non-Executive Director

Col (Rtd) Dato' Ir Cheng Wah
Independent Non-Executive Director

Cheam Heng Cheang
Non-Independent Non-Executive Director

CHIEF EXECUTIVE OFFICER

Goh Kee Kuang

Corporate Information

COMPANY SECRETARIES
Pang Chia Tyng
(MAICSA 7034545)

Lai Chee Wah
(MAICSA 7031124)

SHARE REGISTRARS
Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-78418000
Fax: 03-78418152

STOCK EXCHANGE LISTING
Main Market, Bursa Malaysia
Securities Berhad ("BMSB")
Stock Name: BRAHIMS
Stock Code: 9474
Sector: Trading/Service

REGISTERED OFFICE
10th Floor, Menara Hap Seng
1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur
Tel: 03-23824288
Fax: 03-23824170/71/72

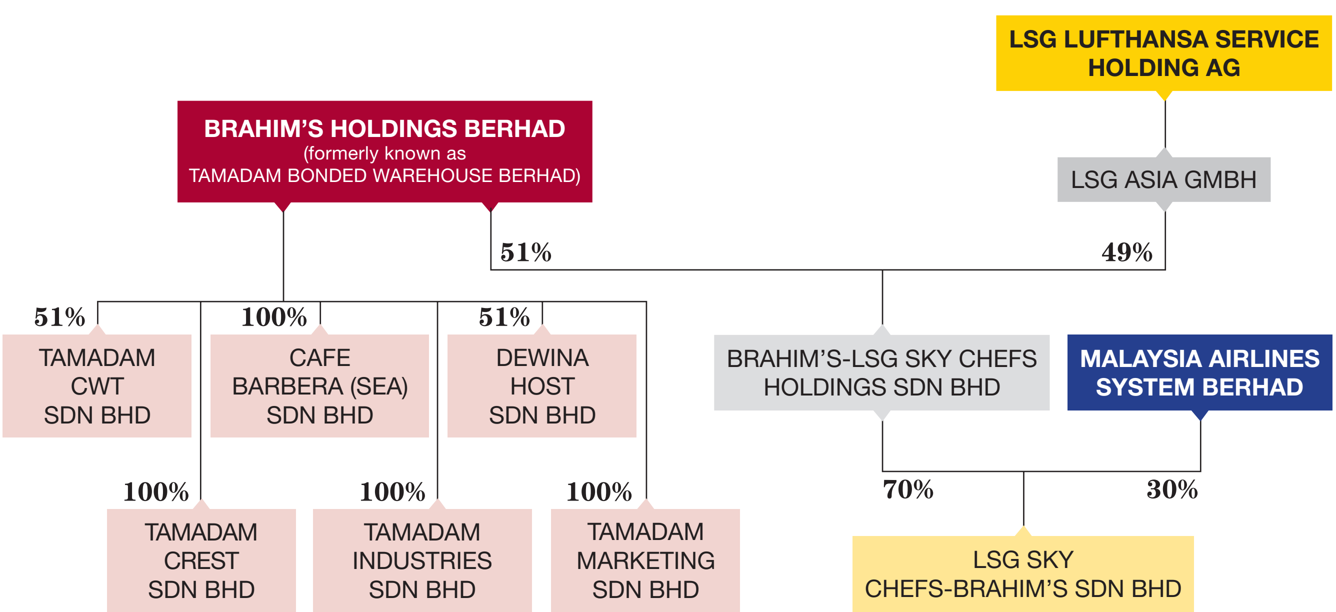
AUDITORS
Crowe Horwath
Level 16, Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

PRINCIPAL BANKERS
AmBank (M) Berhad
HwangDBS Investment Bank Berhad

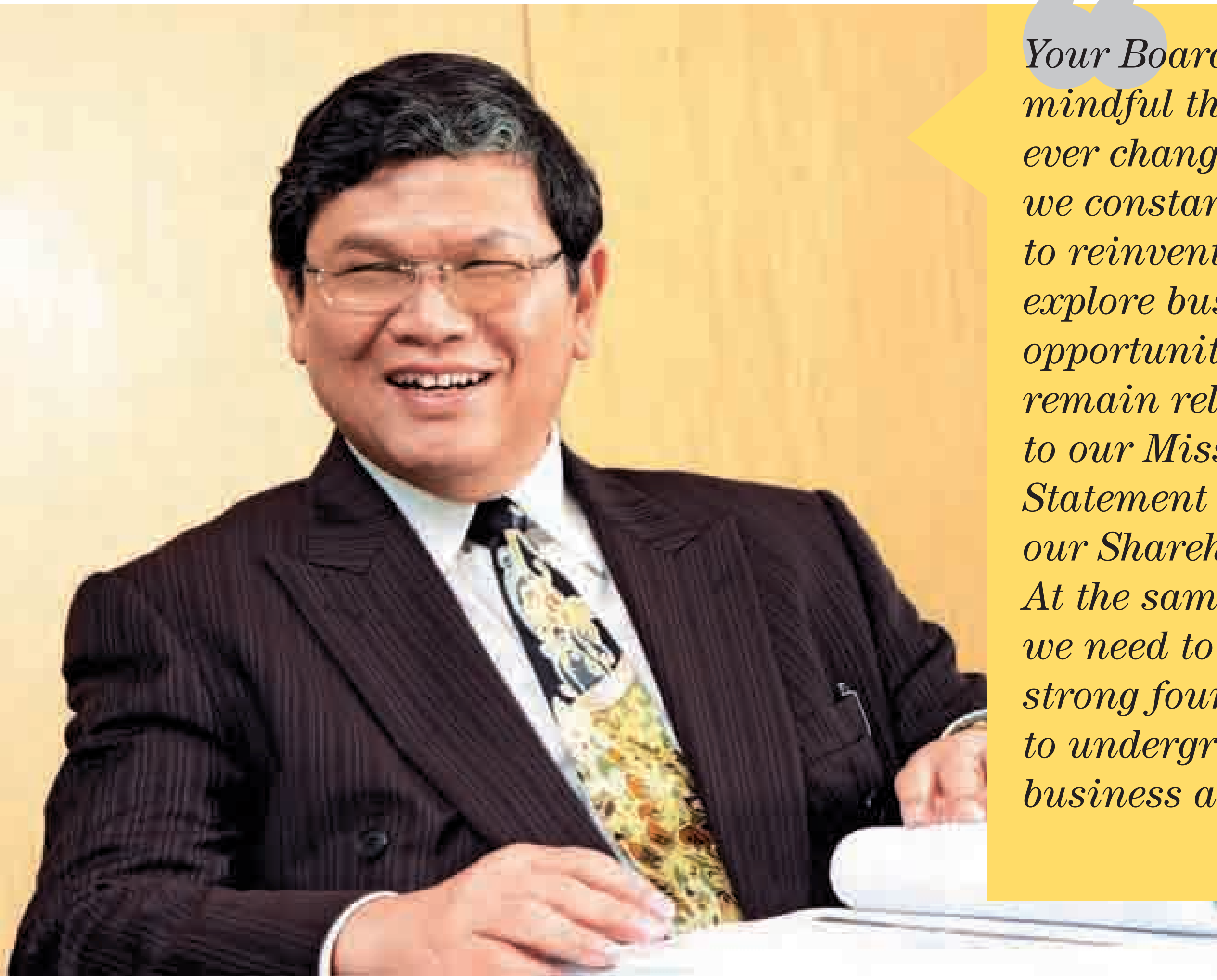
SOLICITORS
Jeffery Wong, Noorul, Ho & Lim
(KL Office)
Advocates and Solicitors
Unit A1-2-5
No.1 Jalan Dutamas 1
Solaris Dutamas
50480 Kuala Lumpur
Tel: 03-6207 9809/9810
Fax: 03-6207 9805

Corporate Structure

As at 6 April 2012



Letter to *Shareholders*



"Your Board is mindful that in an ever changing world, we constantly need to reinvent and explore business opportunities to remain relevant to our Mission Statement and to our Shareholders. At the same time, we need to build a strong foundation to undergrid our business ambitions."

Dear Fellow Shareholders,

On behalf of the Board, I am pleased to present my fourth Annual Report to Shareholders. Year 2011 was a period of strong performance for Brahim's Holdings Berhad (formerly known as Tamadam Bonded Warehouse Berhad) in the context of a challenging environment. Your company's core business is largely airport-centric focussing on in-flight catering to over 36 international airlines and operating 8 airport restaurants located at KLIA and LCCT.

Refreshing history for our new shareholders, on 27 March 2008, your company then known as Tamadam Bonded Warehouse Berhad acquired 51% equity interest in Brahim's-LSG Sky Chefs Holdings Sdn Bhd (BLSG) which held a 25-year concession with Malaysia Airlines System Berhad (MAS), expiring on 1 December 2028 for the provision of in-flight catering and related services. BLSG in turn owns 70% in LSG Sky Chef-Brahim's Sdn Bhd (LSGB), the operating unit of the in-flight catering business. The remaining 30% in LSGB continues to be held by MAS. In 2011, we also completed a 51% acquisition of Dewina Host Sdn Bhd, a major F&B operator at KLIA and LCCT.

Reflecting the new business directions, shareholders had voted for a change of name of your company from Tamadam Bonded Warehouse Berhad to Brahim's Holdings Berhad (formerly known as Tamadam Bonded Warehouse Berhad) at the last AGM held on 31 May 2010.

SUSTAINABLE PERFORMANCE AND EARNINGS AT RECORD HIGH

For 2011, the Group continued to sustain its double digits growth in earnings on the back of an 11.2% growth in revenue from RM165.81 million in 2010 to RM184.46 million in 2011. The Group generated a 16.1% growth in pretax profit from RM19.64 million in 2010 to RM22.81 million for 2011 maintaining an operational gross profit margin at around 55%. Likewise profit after tax surged by 22.1% to RM14.95 million over the preceding year of RM12.24 million. Despite the challenges in the air travel industry, our record profits results were driven by two related and critical factors; (a) our clients viz in-flight meals to MAS and other major international airlines and our airport restaurants to service passenger traffic, and (b) the focused commitment to provide wholesome and quality halal meals by our dedicated teams at the KLIA and Penang airports under LSGB and Dewina Host Sdn Bhd.

For this year, we will introduce a separate section on "Management Discussion and Analysis (MD&A)", in line with best practices and recommendations of Bursa Malaysia Securities Berhad to discuss your Group's operational performance, accounting policies, detail results of operations, and Business Risk Management.

OUR MISSION

As we look back to 2009, we told shareholders that the Group would continue to benefit from the BLSG acquisition. The in-flight catering business segment remained our key value driver. On 16 May 2011, your Group announced the acquisition of a 51% equity interest in Dewina Host Sdn Bhd to further strengthen the Group's new core business in food services. This acquisition was completed on 22 July 2011 and had allowed the Group to position itself to serve the different needs of airline customers in more locations by gaining immediate exposure to the restaurant operations business in the airports. Dewina Host Sdn Bhd has an extensive operating history at KLIA since 1998. Under this division, your Group is actively engaging in the outlets tender process to capture the new growth momentum in KLIA 2 scheduled for opening in March 2013. KLIA 2, the new permanent low cost carrier terminal is built to handle 30 million passengers a year with the ability to expand to 45 million passengers a year as compared to the current LCCT capacity of 17 million passengers.

Your Group's mission is to be a key player in the Food Services and Food Related Sector.

LAYING STRONG FOUNDATIONS TO GROW OUR BUSINESS

Your Board is mindful that in an ever changing world, we constantly need to reinvent and explore business opportunities to remain relevant to our Mission Statement and to our Shareholders. At the same time, we need to build a strong foundation to undergrid our business ambitions.

In 2011, we worked on divesting the loss making business unit and concluding new acquisitions for immediate benefits to revenue and profits. We also worked on management succession to build an even stronger leadership team, embedding best practices and continuing our commitment in Corporate Responsibility. We will constantly explore and improve balance sheet management in line with future acquisitions in the food services and food related sector to broaden and deepen our earnings base. We have formed an Executive Board to actively strategise and evaluate opportunities to grow the Group's business regionally. The function of this team is to rapidly respond to opportunities that arise and at the same time provide an oversight on the performance of the existing operating divisions under the Group. We must develop the capability to respond to a volatile and fast-changing world. The team must capture opportunities by pursuing aggressive growth but with a discipline not to extend beyond the Group's ability to preserve profitability.

The sixth and seventh series of the *Program Biro Tata Negara (BTN)* for LSGB Employee Self-Development Programme was held in Tg. Rhu, Sepang on 16 to 18 June 2011.

CORPORATE RESPONSIBILITY

The Group continues to maintain initiative in its Corporate Responsibility activities. Your Group through its interest in LSGB has actively engaged in the 4 areas of CSR Framework namely marketplace, workplace, environment and community.

Workplace

Brainstorming Programme

Logistics and Transportations Department had conducted two series of brainstorming sessions for their staff at Ancasa Apartment, Port Dickson. The first series was on 30 to 31 March 2011 attended by 30 participants and the second series on 6 to 7 July 2011 with 37 participants. The programme's objective was to build a close relationship between staffs and to give new ideas for improving their job functions.

Employee Self Development

LSGB has continued the *Program Biro Tata Negara (BTN)* for the sixth and seventh series in the year of 2011 at *Kem BTN*, Tg. Rhu Sepang. The two series were held on 16 to 18 June 2011, where 39 of the participants attended the sixth series and a total of 38 participants in the seventh series. The programme conducted by LSGB involved the company's staff together with Government agencies including *Persatuan Pengurusan Sumber Manusia*, and *Lapangan Terbang Kuala Lumpur*, Malaysia. Among the activities carried out over three days and two nights were lectures and physical activities that aimed to promote the spirit of nationhood and teamwork among employees and companies.

CBASE Workshop in Frankfurt

A CBASE workshop was held in Frankfurt, Germany from 12 to 16 September 2011. The purpose of the workshop was to identify and address the gaps in food preparation efficiency and to find out how the system can be used at LSGB kitchen in KLIA, Malaysia. LSGB CBASE project members were taken on a kitchen tour to see how Operations and Production areas utilise the system at the International Kitchen in Frankfurt.

Community

Career Talk

LSGB conducted a career talk and an open interview session on 29 March 2011 at Grand Blue Waves Hotel, Shah Alam. The intention of this talk was to find potential talented candidates for the LSGB Employment Programme (LEP) from local university graduates. LSGB team received about 50 job applications. Six applicants were selected among this batch for the first intake on 18 April 2011.

On 13 April 2011, En Ahmad Reza Kamaruddin (Senior Manager of Modal Insan) of LSGB was invited to give a talk at a career fair in *Universiti Kebangsaan Malaysia (UKM)*, Bangi.

En Ahmad Reza Kamaruddin also conducted a career talk for LSGB, which was attended by 50 people of *orang asli* origin from four villages around Sepang. The event was held at Kampung Melud, Sepang in conjuction with *Jabatan Hal Ehwal Orang Asli (JHEAO)* as part of our social responsibility. It was intended to offer job opportunities with LSGB and to introduce LSGB to the rural community.

A LSGB *Berbuka Puasa* ceremony with communities was held at the parking compound of LSGB on 19 August 2011. From left: En Ainul Hasnizam (Head of Finance), Datuk Ibrahim Hj. Ahmad (Group Chairman), Mr Pieter Harting (General Manager, LSGB) and En Mohd Zaki Omar (Deputy General Manager) were present to hand out the goodies.

Celebrating Ramadan

During the fasting month, the Group organised various activities for their staff and the local communities. Among the activities were handling out of *Bubur Lambuk* and *Berbuka Puasa*. The main objective of this event was to foster closer relations between LSGB staff, and to put a smile on the faces of the less fortunate through contributions, so they can have a cheerful Hari Raya celebration.

The ceremony of handling out *Bubur Lambuk* to the staff was held on 19 August 2011 at the compound of LSGB and was attended by the management and staff of LSGB. A total of 800 packages of *Bubur Lambuk* were distributed with the 1Malaysia bag sourced from *Biro Tata Negara*. Among the guests that helped to distribute the *Bubur Lambuk* were LSGB and Group Chairman, Datuk Ibrahim Hj. Ahmad, Mr Pieter Harting (General Manager, LSGB), En Ahmad Reza Kamaruddin (Senior Manager of Modal Insan), En Ainul Hasnizam (Head of Finance), En Mohd Zaki Omar (Deputy General Manager) and other department Heads.

Later on the same day, a *Berbuka Puasa* ceremony was held for the staff and management with communities including orphans, single mothers and the needy at the parking compound of LSGB. Among the guests invited was YB. Dato' Haji Hasim Bin Rusdi (Exco Negeri Sembilan), representatives from *Biro Tata Negara*, LSGB & Group Chairman, General Manager of LSGB, Deputy General Manager, Senior Manager of Modal Insan, Head of Finance and Department Heads. About 50 orphans from Dun Labu aged from 3 to 17 years old, the single mothers and the needy were specially invited in this yearly CSR event combining Brahim's Group and LSGB. Apart from food, the special guests later received Hari Raya goodie bags and also personal donations from the Group Chairman.

On 23 August 2011, *Dapur Penerbangan Pulau Pinang* feted 85 orphans from *Rumah Pertubuhan Asuhan Dan Didikan Anak-Anak Yatim Islam*, Kg. Banggol Derdap, Sik Kedah at a *Berbuka Puasa* function. The event was graced by Mr Pieter Harting (General Manager, LSGB) and En Ahmad Reza Kamaruddin (Senior Manager of Modal Insan).

Left to right:
LSGB project members at the CBASE Workshop in Frankfurt, Germany from 12 to 16 September 2011; A LSGB career talk was held for four *orang asli* villages in the Sepang vicinity on 24 June 2011; Mr Pieter Harting (General Manager, LSGB) helped to distribute *Bubur Lambuk* to the LSGB staff on 19 August 2011.

Hari Raya Celebration

The Hari Raya celebration held on 23 September 2011, provided a good opportunity for LSGB Penang to celebrate with their staffs, customers and family members. Among the guests invited were General Manager of LSGB, Senior Manager of Modal Insan, Manager of *Dapur Penerbangan Pulau Pinang*, representatives from airlines and others.

Majlis Pemimpin Bersama Rakyat in conjunction with Hari Raya 2011 at Dun Muadzam Shah, Pahang on 24 November 2011 with the Sultan and Sultanah of Pahang as guests of honour.

A programme on *Majlis Pemimpin Bersama Rakyat* was organised on 24 November 2011, which was held in conjunction with Hari Raya 2011 gathering. The event was held at Dun Muadzam Shah, Pahang with the Sultan and Sultanah of Pahang Darul Makmur as guests of honour. The LSGB team served food to over 500 guests including the royal couple and state government officials.

Qurban and *Akikah* Programme

Dapur Penerbangan Pulau Pinang organised *Qurban* programmes with orphans from *Rumah Pertubuhan Asuhan Dan Didikan Anak-Anak Yatim Islam*, Kg. Banggol Derdap, Sik Kedah during *Aidil Adha* festival. Two cows prepared for the sacrifice were donated by the company and the staff of LSGB Penang.

Flood Victims

In an effort to relieve the burden of flood victims in Johor, LSGB has taken the initiative to send humanitarian aids on 25 and 26 December 2011 to five flood relief centres in Johor. The project was part of LSGB's corporate social responsibility programme aimed at assisting flood victims by providing the necessary assistance and relief to the affected people. Taking part in this initiative were LSGB staff, who are members of the *Pasukan Penyelamat Kecemasan LSGB* from different departments. The team also donated to the flood victims, Brahim's ready to eat products, dry items and drinking water.

Marketplace

Appreciation from Customers

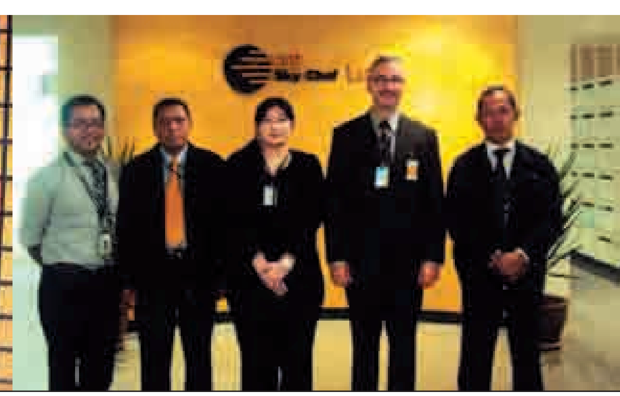
LSGB received many accolades and appreciation from its international customers' list of airlines which include China Southern, Gamuda Indonesia, China Airlines, AirAsia X, Cathay Pacific, Oman Air, Vietnam Airlines and of course our own MAS.

Visits and International Civil Aviation Organisation Audit

7 April 2011: Malaysia Productivity Corporation (MPC); Tuan Hj. Kamaruddin Mamat and En Mokhzani Aris Mohd Yusoff (Senior Consultants, Business Excellence Department) from MPC visited LSGB to conduct audits on the 5S Programme. They were given a briefing and taken on a kitchen tour by En Ahmad Reza Kamaruddin (Senior Manager of Modal Insan), Pn. Laila Fauziah, Pn. Nor Afidah and En Azhar Zulkafli (5S Coordinator, LSGB).

22 May 2011: International Civil Aviation Organisation Audit; LSG Sky Chef-Brahims Sdn Bhd received visits from the International Civil Aviation Organisation (ICAO) to conduct audits at LSGB premises. The visit was headed by Tn. Haji Abdul Rahman, Director of Department of Civil Aviation (DCA) and auditors from ICAO. LSGB received top marks in its audit exercise.

Left to right:
Humanitarian aid was provided to five flood relief centres in Johor by members of the *Pasukan Penyelamat Kecemasan LSGB* on 25 and 26 December 2011; LSGB received a visit from the International Civil Aviation Organisation (ICAO) on 22 May 2011; MAS 5-Star Food Training Programme was held with the MAS Academy Cabin Crew Training and Standards Division at LSGB on 24 March 2010, 21 April 2010, 26 May 2010 and 28 July 2011



29 June 2011: *Tentera Laut Diraja Malaysia (TLDM)*; LSGB received visits from TLDM KD Pelandok, Lumut Perak, which was headed by Kdr Abdullah Baki, Lt Dya Azmi Hj Rahman and Lt Dya Kamaruddin Abdul from Culinary and Hospitality Management. The visit was attended by 20 trainers of TLDM.

13 September 2011: LSG FRA International Kitchen; The LSGB team visited LSG Sky Chefs FRA International Kitchen as part of the CBASE workshop in Franfurt. The visit gave new insights how CBASE is being used in the kitchen operationally.

27 October 2011: Ministry of Health; A visit was conducted by the Selangor State Health Department at LSGB clinic, which was headed by Assistant Director of Health Department, Dr. Siti Aishah Mohd Zam.

21 December 2011: Asian Productivity Organization (APO); APO conducted a visit to LSGB premises as part of the APO workshop programme which was held at MPC in Petaling Jaya, 19 to 23 December 2011. This visit was attended by 23 participants from different Asian countries including Bangladesh, Cambodia, India and Korea.

MAS 5-Star Food Training Programme

LSGB participated in the MAS 5 Star Food Training Programme with MAS Academy Cabin Crew Training and Standards Division. Around 25 to 30 participants from Senior Cabin Crew attended this Four Series programme, which was headed by Ms. Samantha Yong (Training Executive) and Chef Zainuddin Bin Mohd Isa (Culinary Manager/Executive Chef IFS Department). This one day training programme was held on four different series; 24 March 2010, 21 April 2010, 26 May 2010 and 28 July 2011 at LSGB. The purpose of the programme was to give exposure and training to Senior Cabin Crew in food preparation and also aimed to improve the quality of food preparation that follow the customer's needs.

En Razaha Harun (Executive Chef) and the Quality Manager has conducted a briefing and a practical training on the LSGB kitchen operation. Among the kitchen unit that they visited were Butcher Area, Hot Kitchen Area, Cold Kitchen Area, Pastry Kitchen Area, Warehouse Department, Unit Tray Setting, Warewash and Loading Unit in Logistics and Transportations Department.

Environment

3R Go Green Project

A 3R Go Green Project was launched on 29 June 2011 at Flight Management Centre, LSGB. Among the guests invited was En Mohd Zaki Omar (Deputy General Manager), En Azlan Shahrom, En Roslan Rashid and others.

DIVIDENDS

No dividend has been declared in respect of the year ended 31 December 2011.

SYARIAH COMPLIANT SECURITY

Brahim's Holdings Berhad (formerly known as Tamadam Bonded Warehouse Berhad) is categorized as a Syariah compliant security counter. Combining with a future dividend policy, your Board aspires to position Brahim's Holdings Berhad as a Syariah Compliant Trustee Stock in the near future.

ACKNOWLEDGEMENTS

Our record 2011 financial results would not have been possible without the concerted effort of all our staff in the Group. We wish to thank our customers, partners, colleagues and shareholders for supporting us throughout the year.

I would also like to express my appreciation to Mr Eric Cheam Heng Cheang who has stepped down as Managing Director on 1 January 2012 after serving 10 years in this position. He, however remains as a director on the Board.

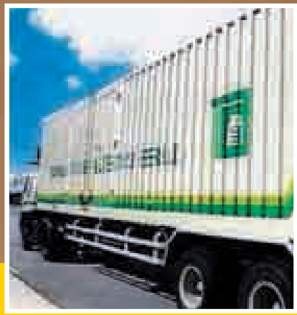
I welcome Mr Goh Kee Kuang, who was appointed as the new Chief Executive Officer on 1 January 2012 replacing Mr Eric Cheam Heng Cheang. Mr Goh Kee Kuang is a very seasoned financial professional with extensive mergers and acquisitions experience to provide a new leadership dimension to raise our game and navigate your Group to greater heights. I would like to express my sincere appreciation to our commercial and investment bankers for their unwavering support in our continuing transformation to become a leader in the food services and food related sector.

Finally, special thanks and gratitude to my fellow Board Members for their wise counsel and invaluable contributions.

Datuk Ibrahim bin Haji Ahmad
Executive Chairman

6 April 2012


LSG
Sky Chefs Brahim
0064

Delivering Performance

We apply astute foresight when we think about growing our businesses and about strategies to maximise our opportunities in an ever-changing and ever-expanding industry. As a Group, we have demonstrated a constancy of vision, purpose and a clear commitment to our customers, employees and shareholders. Our results are the ultimate testament to our success as a premier business organisation. Ultimately, it is our ability to build our customers', employees' and shareholders' trust – that defines our success.

Board of Directors' Profile

Datuk Ibrahim Bin Haji Ahmad
Executive Chairman – Malaysian

Aged 65, was appointed a director of Brahim's Holdings Berhad (formerly known as Tamadam Bonded Warehouse Berhad) on 15 May 2008. He was redesignated as the Executive Chairman on 9 July 2008.

Datuk Ibrahim is the founder and Executive Chairman of Dewina Holdings Sdn Bhd. He holds a Masters degree in Food Technology and a Diploma in Agriculture. A former lecturer and founding member of the Faculty of Food Science and Biotechnology, University Putra Malaysia and subsequently the Head of Corporate Research and Development at a public listed company, Datuk Ibrahim has wide experience in food and agro-based industries and has been involved in various professional organisations holding posts such as National Representative of the UNESCO Regional Network for Basic Sciences, Secretary-General of ASEAN Federation of Food Processing Industries, Member, International Standards Committee SIRIM, Council Member of Malaysian Microbiological Society and Malaysian Institute of Food Technology besides sitting on various state and federal advisory bodies.

Datuk Ibrahim founded Dewina Food Industries in 1986 and steered it to public listing on the BMSB in 1995 after which the company diversified into various food-related business and went private again in 2002. Datuk Ibrahim was honoured with the *Anugerah Usahawan* (Entrepreneurship Award) in 1993 and with a Datukship in 2002. Datuk Ibrahim sits on the board of LSG Sky Chefs-Brahim's Sdn Bhd ("LSGB"). Currently, he is a member of the Board of Trustees of Baitul Hayati Foundation (a Non-Profit Organisation). He is a shareholder and director of various other private companies.

Datuk Ibrahim attended six out of the nine board meetings of Brahim's Holdings Berhad (formerly known as Tamadam Bonded Warehouse Berhad) held during 2011. He has no family relationship with any director and/or substantial shareholder of Brahim's Holdings Berhad and has no conflict of interest with Brahim's Holdings Berhad (formerly known as Tamadam Bonded Warehouse Berhad) nor has he been charged with any offences within the last ten years.

Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain
Non-Independent
Non-Executive Director
– Malaysian

Tan Sri Dato' Mohd Ibrahim bin Mohd Zain, aged 68, was appointed a director of Brahim's Holdings Berhad on 15 May 2008.

Currently he is the Chairman of Century Software Holdings Berhad and Yayasan Arshad Ayub (a Non-Profit Organisation).

Tan Sri Dato' Mohd Ibrahim is a graduate from British Institute of Management and Institute of Marketing in the United Kingdom and holds a Masters in Business Administration from the University of Ohio, in the United States of America.

Upon his graduation in 1965, he was attached to University of Technology MARA (formerly known as Institute of Technology MARA) as a lecturer where he was later appointed as a Council member/ Director, a position which he held until October 2006.

Previously, he had served as Chief Executive of Amanah International Finance Berhad, Amanah Chase Merchant Bank Berhad and Oriental Bank Berhad, Chairman and Chief Executive Officer of Setron (Malaysia) Berhad, Chairman of Bank Kerjasama Rakyat (M) Berhad, Bescorp Industries Berhad, Pan Malaysian Industries Berhad, Pan Malaysian Holdings Berhad, Pan Malaysia Capital Bhd, Chemical Company of Malaysia Berhad and Kawan Food Berhad, Deputy Chairman of Metrojaya Berhad and Director of K & N Kenanga Bhd.

Tan Sri Dato' attended six out of nine board meetings of Brahim's Holdings Berhad held during 2011. He has no family relationship with any director and/or substantial shareholder of Brahim's Holdings Berhad and has no conflict of interest with Brahim's Holdings Berhad nor has he been charged with any offences within the last ten years.

Cheam Heng Cheang
Non-Independent
Non-Executive Director
– Malaysian

Aged 45, was appointed a director of Brahim's Holdings Berhad on 1 October 1993. On 1 January 2001, he was appointed Managing Director. Mr Cheam stepped down as the Managing Director of Brahim's Holdings Berhad on 1 January 2012. He, however, remains as a non-executive director on the Board. he is also a member of the Remuneration Committee.

Mr Cheam obtained a Master of Arts in Jurisprudence from St. John's College, Oxford University, England in 1989. He became a member of Gray's Inn and was called to the Bar of England and Wales in 1990.

Mr Cheam has experience in finance, retailing, trading, information technology, manufacturing, food, radio as well as in logistics. He also sits on the boards of several private companies.

He attended seven out of the nine board meetings of Brahim's Holdings Berhad and five out of six Audit Committee meetings held during 2011. He has no family relationship with any director and/or substantial shareholder of Brahim's Holdings Berhad and has no conflict of interest with Brahim's Holdings Berhad nor has he been charged with any offences within the last ten years.

Mohamed Zamry
Bin Mohamed Hashim
Non-Independent
Non-Executive Director
– Malaysian

Aged 56, was appointed a director of Brahim's Holdings Berhad on 15 May 2008. En Mohamed Zamry holds a Bachelor of Arts (Hons) in Accounting from the University of Bolton, UK and a post-graduate Masters of Marketing from the University of Newcastle, Australia. He also holds a Diploma in Insurance, a Part 1 Banking Diploma from the Institute of Bankers, UK and a Diploma in Banking and Financial Services from the Institute Bank-Bank Malaysia. He is an Associate Member of the Malaysian Insurance Institute, an Associate of the Chartered Institute of Insurance, UK and also the Institute Bank-Bank Malaysia. He was a professional member of the Institute of Public Accountants, Australia, IPA and held the position of Vice-Chairman of the Malaysian branch of the IPA for a year.

En Zamry has extensive experience in banking, finance and insurance. He was attached to Standard Chartered Bank from 1977 to 1994 and later to Guardian Royal Exchange Berhad from 1996 to 1998 before joining AIP Business Advisory Sdn Bhd from 1998 to 2000. He was with Victoria Integrated Industrial Park Australia from 1998 to 2000, Spartec Holdings Sdn Bhd from 2000 to 2002, Perbadanan Komputer Nasional Berhad from 2002 to 2003, Animated Electronics Industries Sdn Bhd from 2003 to 2004 and TAP Capital Sdn Bhd in 2005. En Zamry is currently Group Chief Operating Officer of Brahim's-Dewina Group of Companies. He sits on the Board of Café Barbera (SEA) Sdn Bhd and Tamadam CWT Sdn Bhd and he is also an Alternate Director in LSG Sky Chefs-Brahim's Sdn Bhd and Dewina Host Sdn Bhd. He is not a director of any other public companies.

En Zamry attended all the board meetings of Brahim's Holdings Berhad held during 2011. He has no family relationship with any director and/or substantial shareholder of Brahim's Holdings Berhad and has no conflict of interest with Brahim's Holdings Berhad nor has he been charged with any offences within the last ten years.

Col. (Rtd.) Dato' Ir Cheng Wah, aged 73, has been a director of Brahim's Holdings Berhad since 24 December 1993.

Col. (Rtd.) Dato' is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee. Col. (Rtd.) Dato' holds a Bachelor of Engineering degree in Civil Engineering from the University of Malaya. He is a Professional Engineer with the Board of Engineers, Malaysia. He is also a graduate of the Royal Military Academy, Sandhurst, UK and the Command and General Staff College, Fort Leavenworth, USA.

Col. (Rtd.) Dato' served the Malaysian Armed Forces for 26 years. Amongst the appointments he held was Director of Armed Forces Works, Logistics Division, Ministry of Defence in 1978 and Director of Logistics, Ministry of Defence in 1980 before retiring in September 1983. On retirement he joined Genting Group,

Col. (Rtd)
Dato' Ir Cheng Wah
Independent
Non-Executive Director
– Malaysian

became Director of Development and later a Senior Vice President (Property Development) in Resorts World Berhad until his retirement in 2004. Currently, he is also a Director of Hwa Tai Industries Berhad and Kien Huat Berhad. Earlier, he had served as a Director in Koperasi Angkatan Tentera Malaysia Berhad (1978–1983), Chocolate Products Berhad (1986–1989), Pacific Bank Berhad (1983–2000) and Pacific Mas Berhad (2001–2007).

During the financial year he attended 8 out of the 9 board meetings as well as all the Audit Committee meetings held during 2011. He does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving Brahim's Holdings Berhad. To-date, there has not been any occurrence of conflict of interest with Brahim's Holdings Berhad. He has never been convicted of any offence.

Goh Joon Hai
Independent
Non-Executive Director
– Malaysian

Aged 73, was appointed a director of Brahim's Holdings Berhad on 22 March 2002. Mr Goh is the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee.

Mr Goh graduated with a Bachelor of Arts (Honours) Degree from the University of Malaya in 1964. Subsequently, he obtained a Master of Business Administration from the University of British Columbia, Canada in 1966. He is a member of the Canadian Institute of Chartered Accountants, Malaysian Institute of Accountants and Chartered Tax Institute of Malaysia.

Mr Goh has been in public practice as a Chartered Accountant for more than thirty years. He was a lecturer at the Faculty of Economics and Administration, University of Malaya. Later, he served as financial and corporate adviser to various organisations.

Mr Goh has been active in professional and social organisations and was a member of the Council of Malaysian Institute of Accountants between 1991 and 2000, during which time he served as Chairman of the Joint Technical Committee as well as Chairman of the Accounting and Auditing Committee. Earlier he was a member of the Council of the University of Malaya between 1972 and 1975 and a former Treasurer and Vice President of the Guild of Graduates, University of Malaya. He also served as a member of the General Committee of Royal Lake Club for many years and was President from 2006 to 2007.

Currently, he has no other directorship in any other public companies.

Mr Goh attended all the board meetings of Brahim's Holdings Berhad as well as all the Audit Committee meetings held during 2011. He has no family relationship with any director and/or substantial shareholder of Brahim's Holdings Berhad and has no conflict of interest with Brahim's Holdings Berhad nor has he been charged with any offences within the last ten years.

Dato' Choo Kah Hoe
Non-Independent
Non-Executive Director
– Malaysian

Aged 58, was appointed a director of Brahim's Holdings Berhad on 9 July 2008. He was re-designated as a Non-Independent Non-Executive Director on 18 September 2009. Dato' Choo is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee.

Dato' Choo holds a degree in Company Administration from Sheffield Hallam University and an MBA from the University of Wales and Manchester Business School. He holds professional qualifications as a Chartered Company Secretary, ACIS and is a founding and fellow member of the Malaysian Institute of Commercial and Industrial Accountants, FCIA and also a professional member of the Institute of Public Accountants, Australia, IPA.

Dato' Choo started his banking career in 1980. After 10 years in commercial banking he ventured into merchant banking for another five years. In 1995 he set up DBS Bank (then known as the Development Bank of Singapore) Offshore Banking Branch in Labuan, Malaysia and grew its business into the top five most profitable overseas operations within a period of three years. In 1999, just after the Asian Financial Crisis, he was seconded to Thailand to manage DBS Thai Danu Bank and was the Deputy President and Executive Director of

DBS Thai Danu Bank from 1999 to 2003. In DBS Thai Danu Bank, he personally led the Debt Restructuring Group and Enterprise Banking Group. He was Chairman of the Y2K Task Force Committee and responsible for the Y2K Compliance of DBS Thai Danu Bank. Dato' Choo returned to Malaysia as Country Manager in August 2003. He was Managing Director, Country Manager and Chief Representative for DBS Bank Ltd, Kuala Lumpur Representative Office in Malaysia. He also held the post of Chief Representative for DBS Bank, Yangon Office.

As an active banker, Dato' Choo has authored three books on banking, published by the Institute of Banks, Malaysia and has presented numerous seminar papers on the Financial Services Sector. He has spoken at public forums in Malaysia and Thailand and is a trainer for the National Institute of Development Administration (NIDA), Thailand. He was a Chief Examiner for the Institute of Banks, Malaysia. For his contribution to the Financial Services Industry, he was awarded an Associate Fellowship by the Institute of Banks, Malaysia. He is also a resource person for the South East Asia Central Bank Training Centre (SEACEN) and has conducted courses for central bankers in Malaysia, Singapore, Taiwan, Korea, Thailand and Sri Lanka.

Dato' Choo was appointed to the Bank of Thailand, Executive Decision Panel in 1999 under the Thai Nationwide Debt Restructuring Framework. He held the post of Vice-Chairman, Singapore-Thai Chamber of Commerce for two terms since May 2000 and is an advisor to the Chonburi Chamber of Commerce, Thailand. In October 2004, he was awarded the Darjah Kebesaran Sultan Ahmad Shah Pahang Yang Amat Di Mulia from HRH the Sultan of Pahang on His Royal Highness' 74th birthday which carries the title Dato'. He was appointed a Council Member of the MCA SME Bureau in September 2005 for a three year term until 2008 and re-appointed in 2011. In August 2005, he was appointed as a Professional Advisor for the International and Offshore Banking Program by University Malaysia Sabah, Labuan International Campus, School of International Trade and Finance. In 2006, he was appointed to the advisory panel of the Young Entrepreneurs Association Malaysia (PUMM) for a term of two years. In May 2007, he was awarded the Certificate of Appreciation by the Central Bank Governor for his services as Examiner for the Diploma in Banking and Financial Services examinations. He is currently the Chairman of Labuan Investment Banks Group. He is also the Industry Advisor for the corporate management degree program in the Universiti Malaysia Sarawak.

Dato' Choo attended all the board meetings of Brahim's Holdings Berhad as well all the Audit Committee meetings held during 2011. He has no family relationship with any director and/or substantial shareholder of Brahim's Holdings Berhad and has no conflict of interest with Brahim's Holdings Berhad nor has he been charged with any offences within the last ten years.

Chief Executive Officer's Profile

Mr Goh Kee Kuang was appointed as Chief Executive Officer on 1 January 2012.

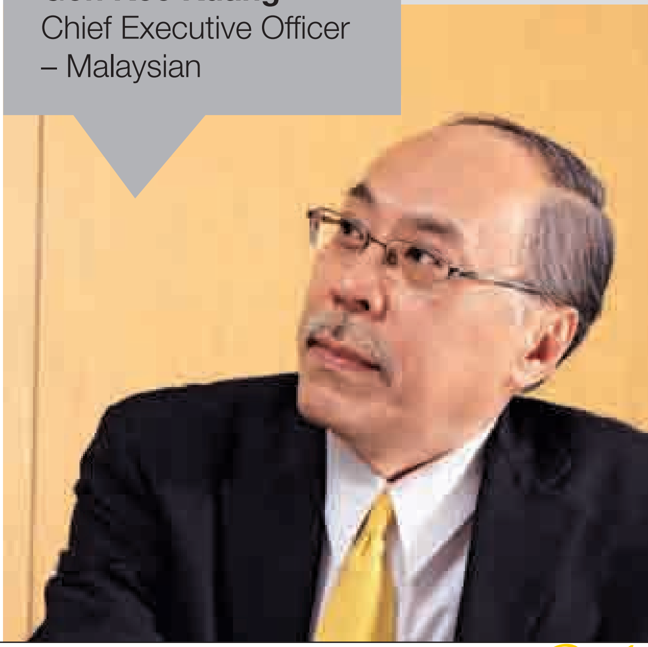
Mr Goh aged 56 years old, pursued his professional qualification, worked and qualified as a Chartered Certified Accountant in London from 1976 to 1982. He held the membership of Fellow of the Association of Chartered Certified Accountant and is currently a registered Chartered Accountant of the Malaysian Institute of Accountants.

Mr Goh returned to Malaysia in 1982 and has since then held key positions in several large public listed companies.

Highlights of Mr Goh's corporate experience include the role of Strategic Development Director at Ramunia Holdings Berhad and served in various strategic capacities as General Manager in the Office of the Chief Executive, as Chief Financial Officer and as Senior General Manager, Ranhill Group of Companies. He was the principal coordinator with Renong Group and its financiers for the Singapore Second Crossing project.

Mr Goh brings with him a wealth of experience in value creation, strategic planning, mergers and acquisitions and execution skills.

Goh Kee Kuang
Chief Executive Officer
– Malaysian



Management Discussion & Analysis

INTRODUCTION

Brahim's Holdings Berhad Group is the country's leading halal in-flight catering company through its 51% equity interests in BLSG which in turn owns 70% of LSGB. The Group in 2011 also completed the acquisition of 51% equity interests in Dewina Host Sdn Bhd, a major operator of restaurants and cafes in KLIA and LCCT. Since 2008, the Group has shifted from its ailing logistics business to a more sustainable airport-centric food services business and other F&B businesses. The Group in its transformation program will continue to seek out opportunities driven by our core competencies and strength in food services and food related businesses to broaden and deepen the Group's earnings base.

In this discussion and analysis of our financial condition and results of operations, we have included information that may constitute 'forward-looking statements'. These statements are not historical facts, but instead represent only our beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside our control. This information includes statements of current condition and may relate to our future plans and objectives.

EXECUTIVE OVERVIEW

	(RM'000)		%
	2011	2010	Change
Selected from Statements of Comprehensive Income			
Revenue	184,462	165,810	11.2
Cost of Sales	(82,355)	(74,009)	11.3
Gross Profit	102,107	91,801	11.2
Other Income	799	3,052	(73.8)
Less: Distribution Expenses	(167)	(127)	31.5
Administrative Expenses	(69,814)	(65,262)	7.0
Other Expenses	(5,307)	(4,832)	9.8
Finance Costs	(4,805)	(4,994)	(3.8)
Profit before Tax	22,813	19,638	16.2
Income tax expense	(7,863)	(7,395)	6.3
Net Profit after Tax	14,950	12,243	22.1
Comprehensive income			
• attributable to Owners of the company	8,636	6,552	31.8
• to Non-Controlling Interest	6,314	5,691	10.9
Selected Items from Statement of Financial Position			
Property, Plant & Equipment	45,930	42,276	8.6
Goodwill on Consolidation	178,401	163,698	9.0
Trade Receivables	36,164	34,596	4.5
Fixed Deposits & Cash/Bank Balances	29,117	19,649	48.2
Total Liabilities	123,282	106,166	16.1
Shareholders' Equity	170,078	161,442	5.3

COMMENTARY

Our earnings per share was 4.82 sen for the year ended December 2011, compared with 3.66 sen for the year ended December 2010, higher by 30.2% on year. Return on shareholders equity (ROE) was 8.4% for 2011 compared with 7.5% for 2010, representing an increase of 12.0% over the previous year.

Book value per share increased by approximately 5.6% to RM0.95 compared with the end of 2010, whilst total assets grew by 11.2% to RM300.99 million.

Your Group generated net revenue of RM184.46 million, an increase of 11.2% over 2010 revenues of RM165.81 million. Despite a challenging operating environment, pretax earnings achieved a record growth of 16.2% to RM22.81 million over 2010 pretax earnings of RM19.63 million. Arising from positive tax adjustments, after tax profit improved by 22.1% to RM14.95 million over 2010 figures of RM12.24 million. These results reflected significant growth in our clients.

In 2011, your Group continues to maintain its dominant market share of airline in-flight catering in KLIA. The acquisition of 51% in Dewina Host Sdn Bhd completed in July 2011, contributed positively to both top line revenues and earnings. For next financial year, your Group should be able to fully incorporate a full 12-months contribution from this acquisition. Dewina Host Sdn Bhd operates eight F&B outlets in KLIA and LCCT. They are also actively engaged in their expansion plans into KLIA 2.

Despite uncertainties in the MAS-AirAsia partnership, revenue is expected to increase arising from MAS taking delivery of new aircraft in 2012 and the potential success of their marketing initiatives. Creeping inflationary factors and rising energy cost may impact our operational expenditure going forward.

	(RM'000) 2011	2010	% Change
Key Financial Ratios			
Liquidity			
Working capital	(22,046)	(18,207)	21.1
Quick Ratio	0.73:1	0.73:1	-
Current Ratio	0.77:1	0.78:1	(1.3)
Net sales per working capital	(8.4)	(9.1)	(7.7)
Leverage/Gearing			
Total Borrowed Funds to Shareholders' Equity	0.38:1	0.38:1	-
Coverage			
EBITDA	34,435	29,808	15.5
EBITDA/Int. Exp + CPLTD	1.88	1.21	55.4
Profitability			
Return on Sales (%)	15.0	14.9	0.7
Return on assets (%)	5.0	5.0	-
Return on equity (%)	8.4	7.5	12.0
Gross Profit Margin (%)	55.4	55.4	-
Operating expenses (%)	85.0	85.1	(0.1)
Operating profit margin (%)	15.0	14.9	0.7
Profit After Tax Margin (%)	8.1	7.4	9.5
Dividend Payout Rate (%)	N/A	N/A	N/A
Activity ratio:			
Interest coverage ratio	5.75:1	4.93:1	16.6
Receivables turnover ratio (days)	72	76	(5.3)
Payables turnover ratio (days)	32	42	(23.8)
Asset turnover (net sales/total assets)	0.61:1	0.61:1	-
Profit before tax/total assets (%)	7.6	7.3	4.1
Growth (%)			
Total assets growth	11.3	(1.8)	727.8
Total liabilities growth	16.1	(14.0)	215.0
Net worth growth	8.2	7.4	10.8
Operating profit growth	12.1	40.8	(70.3)
Net profit after tax growth	22.1	104.9	(78.9)
Sustainable growth	8.4	7.5	12.0
Other Financial Indicators			
NA Per Share (RM)	0.95	0.90	5.6
Gross EPS (SEN)	12.74	10.97	16.1
Net EPS (SEN)	4.82	3.66	31.70
Share price at Year End (RM)	0.48	0.475	1.1

BUSINESS OPERATIONS REVIEW

The Group's core business in food services is the main contributor to Group earnings with in-flight catering services and F&B operations contributing to 98% of turnover and a 114.7% of bottom-line profits from operations after accounting for another year loss of RM4.1 million (2010: RM4.6 million loss) chalked up by the warehousing and logistics division. The Group has proceeded with the divestment of this division and in the forthcoming financial year should see the closure of this chapter of a drag on profitability.

In-Flight Catering Services

LSG SkyChefs-Brahims Sdn Bhd (LSGB), formerly known as MAS Catering Sdn Bhd, is the principal in-flight services provider at both the Kuala Lumpur International Airport (KLIA) and Penang International Airport. LSGB currently serves 28 international airlines. LSGB is one of the main vendors to MAS, the national carrier, while other clients include AirAsia, AirAsia X, Etihad, Cathay Pacific, China Airlines, Japan Airlines, Korean Air, Thai Airways, Emirates Airliness, Garuda, KLM, Indian Airlines, Eva Air and Pakistan International Airlines.

LSGB caters to an average of 190 aircraft per day and prepares an average of 35,000 to 40,000 meals per day from its huge and highly sophisticated halal flight kitchen located in KLIA. Menus are planned in collaboration with in-flight services teams from the customer airlines which usually stipulate their requirement. The chefs at LSGB will then suggest recipe modifications taking in account the locally available raw ingredients. A food tasting session is then arranged before a new menu is adopted and finally implemented. LSGB's flight kitchen is categorised into three departments known as the hot kitchen, the cold kitchen and the pastry and bakery kitchen. These kitchens produce a combination of hot meals, cold salads, desserts, bread and pastries. The operations in the kitchen are enhanced by modern equipment.

Operating 24 hours daily with a maximum capacity of about 50,000 meals per day, LSGB prides itself as a globally recognised 100% halal certified flight kitchen with a fully halal compliant integrated food logistics supply chain. Besides food, LSGB also provides cabin handling services covering laundry services for pillows and blankets, filling the cabin trolley with items for in-flight sales as well as providing passenger headsets, newspapers and periodicals. With 1,193 staff operating from a 59,000 sq metre complex in KLIA, LSGB is the world's biggest halal flight kitchen and has won many international awards for quality and excellence.

In 2003, LSGB entered into a catering agreement with MAS, for the exclusive right to supply and provide in-flight catering and cabin handling services to MAS at both the KLIA and Penang Airport. Current business growth was due to the increase in number of meals served as more passengers travelled from KLIA and Penang airports as well as fleet expansion by several airlines including MAS, AirAsia, AirAsia X and Emirates. MAS continues to be LSGB's main customer.

LSGB is majority owned by Brahim's-LSG Sky Chefs Holdings Sdn Bhd' (70%) and the balance (30%) owned by Malaysia Airline System Berhad ("MAS"). LSGB is located at the Catering Building, MAS Complex, South Support Zone, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan.

Restaurant Operations

- Dewina Host Sdn Bhd operates an exciting portfolio of F&B brands in KLIA and LCCT. They provide a mix of international brands and local favourites that cater to different travelers' preferences. The restaurants and cafes currently in operation by Dewina Host Sdn Bhd at KLIA and LCCT are listed in Table 1.

- Café Barbera (SEA) Sdn Bhd was incorporated in 2010 dealing in franchise gourmet coffee with an outlet in Lorong Maarof Bangsar, on rented premises and a sub-franchise outlet at KLIA departure hall. It is a 100% subsidiary of Brahim's Holdings Berhad (formerly known as Tamadam Bonded Warehouse Berhad). The unique concept of Café Barbera is based on an exceptional blend of coffee products, current food trends, and consumer demands for fresher, tastier, lighter and healthier fare. Currently, there are four Café Barbera outlets in Malaysia; Café Barbera Bangsar, Café Barbera KLIA, Café Barbera Sunway Pyramid and Café Barbera Subang Skypark. We also sell coffee beans to hotels that have our coffee machines installed at the hotels. The beans are also available at selected up-market cafes and supermarkets.

  The management plans to open another six outlets in the coming years. Datuk Ibrahim Hj. Ahmad (the founder of Brahim's Food) holds the exclusive rights of this franchise for Café Management, Franchise and Distribution for Malaysia, Singapore and Indonesia.

  Barbera Caffe S.p.A., the Principal based in Naples, Italy was founded in 1870. Café Barbera offers world class high quality coffee and Italian dishes in a typically Italian café setting.

Table 1: List of Restaurants and Cafes Operated by Dewina Host Sdn Bhd at KLIA and LCCT

Outlet Name	Type of Food Served	Outlet Location	Outlet Size (Approximate Square Meters)
Burger King	Fast food	Arrival Level, Main Terminal Building, KLIA	150
Burger King	Fast food	Mezzanine Level, Satellite Building, KLIA	309
Café Barbera	Café	Departure Level, Main Terminal Building, KLIA	88
Asian Café (rebranded as Kopitime)	Café	Departure Level, Main Terminal Building, KLIA	78
Food Paradise	Casual Dining	Mezzanine Level, Satellite Building, KLIA	781
Taste of Asia	Casual Dining	Public Concourse, LCCT	360
Café Espresso	Café	International Departure Hall, LCCT	130
EK 15	Café	Domestic Level, Contact Pier, Main Terminal Building, KLIA	15
		TOTAL	1,911

Warehousing and Logistics Division

This business unit continues to be a drag on profit velocity of the Group despite reduced losses for financial year 2011 of RM4.1 million against a higher 2010 losses of RM4.6 million. Existing divisional management does not appear capable of turning around this outfit which has been showing losses over the past five years. This has necessitated remedial action to stem further losses by embarking on a divestment exercise. This unit operates a bonded warehouse on 15.134 acres of a sub-lease KTM land in North Port.

The Group plans to fully divest this operation in the next financial year to stay focused on food services and food related businesses.

BUSINESS ENVIRONMENT

Global Overview

The world economy entered 2011 with expectations for healthy economic growth during the year, supported by optimism over the favourable growth performance in the fourth quarter of 2010. Adverse developments in several major economies, however, led to the continuous downward revision of global growth expectations throughout the year.

In the second half of 2011, despite diminishing supply disruptions and the moderation in oil prices, the global environment became increasingly challenging. Escalation of the sovereign debt crisis in the Euro area and the downgrade of the US sovereign credit rating in August had intensified the fiscal and financial stress in the advanced economies and dampened consumer and business sentiment. In the US, in particular, fears of a doubledip recession rose, as revisions to growth data indicated a slower recovery from the recession than previously envisaged. In the Euro area, growth also moderated amid weak domestic demand as private sector sentiments in both the core and peripheral economies were significantly affected by the intensification of the sovereign debt crisis.

The Asian economies, meanwhile, experienced slower growth in exports and industrial production. Nevertheless, growth remained supported by sustained domestic demand in the region. Consumption, in particular, was underpinned by favourable labour market conditions, continued access to credit, rising incomes and high commodity prices. In China, growth concerns emerged in October following data releases that indicated, for the first time in a year, declining residential property prices on a month-on-month basis. This in turn, increased the risk of a more significant slowdown in China as property investment accounted for 10% to 15% of the economy. Towards year-end, US growth recorded some improvements supported by rising consumption and production activity, albeit remaining modest and vulnerable to increasing risks in the global economy. Economic expansion in Asia also softened as export growth continued to moderate following the more widespread global economic slowdown.

(Extracts from Bank Negara Malaysia Annual Report 2011)

Overview and Outlook of the Malaysian Economy

Despite the challenging international economic environment in 2011, the Malaysian economy recorded a steady pace of growth of 5.1% (2010: 7.2%). Growth was more moderate in the first half of the year, particularly in the second quarter, as the economy was affected by the overall weakness in the advanced economies and the disruptions in the global manufacturing supply chain arising from the disaster in Japan. Although the global economic environment became increasingly more challenging and uncertain in the second half-year, Malaysia's economic growth improved due to stronger domestic demand. Domestic demand registered a strong growth of 8.2% in 2011 (2010: 6.3%), driven by both household and business spending, and higher public sector consumption. Private consumption strengthened in 2011, growing by 6.9% (2010: 6.5%), supported by broad-based income growth, following the improvement in the overall labour market conditions. In addition, civil servants benefited from the two half-month bonus payments in the second half of the year, while households in the rural area benefited from the higher rubber and palm oil prices.

Private investment expanded by 14.4% in 2011 (2010: 17.7%) although growth moderated slightly in the second half year, as the external environment became more uncertain. Public consumption also recorded a higher growth in 2011, expanded substantially by 16.8% in 2011 (2010: 0.5%) in tandem with the Government's efforts to improve public delivery services. However, public investment contracted by 2.4% in 2011 (2010: 2.8%) during the year following the lower disbursement of development expenditure by the Federal Government.

The strong expansion in domestic demand was a key factor in driving the overall growth of the domestic-oriented sectors, while firm regional demand provided support to the commodity-related manufacturing industries and the agricultural sector. The services sector grew strongly in 2011, sustained growth of 6.8% in 2011 (2010: 6.8%) and remained the largest contributor to growth. The robust expansion in private consumption had provided support to the wholesale and retail trade, and accommodation and restaurant sub-sectors.

The manufacturing sector expanded at a much slower pace (2011: 4.5%; 2010: 11.4%) amid weaker performances in both the export- and domestic-oriented industries. The former was mainly on account of softer external demand and disruptions in the global E&E supply chain, while the latter was due mainly to the contraction in the transport equipment industry following the supply-chain disruptions.

Higher production of palm oil had contributed to the stronger growth of 5.6% in 2011 in the agricultural sector, while the construction sector expanded at a moderate rate of 3.5% in 2011 (2010: 5.1%) following the completion of several major projects. The mining sector contracted 5.7% in 2011, as the output of crude oil and condensates was affected by the shutdown of several production facilities.

Headline inflation averaged at 3.2% in 2011 (2010: 1.7%). The increase in inflation, particularly during the first half of the year, was due mainly to supply factors arising from higher food prices and upward adjustments to administered prices. Inflation peaked in June at 3.5% and trended lower in the second half of 2011, as the impact from the upward adjustments on the prices of petroleum products and sugar in July and December 2010 wore off. Core inflation, an indicator of demand-driven pressures on prices, rose to 2.6% in 2011 (2010: 1.5%).

Amid the more challenging external environment, Malaysia's economy is projected to experience a steady pace of growth of 4% to 5% in 2012. Domestic demand is expected to remain resilient and will continue to be the anchor for growth. Several measures that were announced in the 2012 Budget are expected to provide support to private consumption. These include the upward revision of public sector wages and

the one-off financial assistance to low and middle-income groups. Private investment will be supported by domestic-oriented industries and the ongoing implementation of projects under the Economic Transformation Programme (ETP). The public sector will remain supportive of growth in 2012, with higher capital expenditure by both the Federal Government and the non-financial public enterprises. The implementation of the Special Stimulus Package through Private Financing Initiative that was announced in the 2012 Budget would provide further impetus to real activity during the year.

On the supply side, most sectors will continue to expand in 2012. Nevertheless, the slower growth in global demand may adversely affect the export oriented industries in the manufacturing sector as well as the trade-related industries in the services sector. The performance of domestic-oriented industries, on the other hand, is expected to remain firm, benefiting from resilient domestic demand conditions. In particular, the construction sector is projected to record stronger growth, supported by the implementation of major infrastructure projects and the Special Stimulus Package. Growth in the mining sector is also expected to recover. However, the agriculture sector is likely to register a more moderate growth on account of lower growth of both palm oil and natural rubber following the strong performance seen in 2011 and the expected moderation in commodity prices.

The GDP growth projection of between 4% to 5% in 2012 is premised upon the expectation of a moderation in global growth and the timely and full implementation of measures announced in the 2012 Budget. Several risks, however, remain. These risks include an escalation in the eurozone sovereign debt crisis and much slower growth in our major trade partners. Should growth in the advanced economies turn out to be stronger than expected, there is some upside potential to domestic growth in 2012. Headline inflation is expected to moderate in 2012, averaging between 2.5% to 3.0%. The lower inflation projection reflects the moderation in global commodity prices and a more modest growth in domestic demand. However, upside risks to inflation remain, and could emanate from higher-than-expected global commodity prices, domestic supply disruptions and possible adjustments to administered prices.

(Extracts from Bank Negara Malaysia Annual Report 2011)

CRITICAL ACCOUNTING POLICIES

The adoption of the accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements, other than the following:

(i) FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard has been applied prospectively during the current financial year with no financial impact on the financial statements of the Group but may impact the accounting of its future transactions or arrangements.

(ii) FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, whilst maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the non-controlling interests to be absorbed by the non-controlling interests instead of by the parent. The Group has applied FRS 127 (Revised) prospectively during the current financial year with no financial impact on the financial statements

of the Group but may impact the accounting of its future transactions or arrangements.

(iii) Amendments to FRS 7 expand the disclosure requirements in respect of fair value measurements and liquidity risk. In particular, the amendments require additional disclosure of fair value measurements by level of a fair value measurement hierarchy. The Group has applied FRS 7 (Revised) prospectively during the current financial year with no financial impact on the financial statements of the Group but may impact the accounting of its future transactions or arrangements.

FAIR VALUE

Fair value is defined as a rational and unbiased estimate of the potential market price of a good, service, or asset, taking into account.

In accounting, fair value is the amount at which the asset could be bought or sold in a current transaction between willing parties, or transferred to an equivalent party, other than in a liquidation sale.

During the year, the Group has complied with FRS 139 where the standards require most of the financial assets and financial liabilities to be carried at fair value. The adoption of FRS139 has no adverse impact on the Group's financial assets as reported at fair value.

RESULTS OF OPERATIONS

Performance of Current Year Compared to Previous Year

The Group’s revenue of RM184.46 million in current year was higher against the previous year’s revenue of RM165.81 million which was an increase of RM18.65 million or 11.2%.

The Group’s profit before tax of RM22.81 million was higher against the previous year RM19.63 million which was an increase of RM3.18 million or 16.2%.

Detailed analysis by each segment is as follows:

- **In-flight Catering and Related Services**

  The revenue for in-flight catering and related services segment for the current year increased by RM11.18 million or 7.0% to RM171.40 million from RM160.22 million in the previous year.

  Increases in in-flight catering and related services revenue resulted from a higher level of MAS passengers’ volume in KLIA and additional flights by foreign airlines in the year. This resulted in an increase in meals offtake by 9% on the back of a 4% increase in flights volume.

  Outlook for 2012 in-flight catering division is expected to be less optimistic arising from the significant route reduction by MAS and the abandoning of Kota Kinabalu as the second regional hub. Furthermore, the Comprehensive Collaboration Framework (CCF) announced in August 2011 between MAS and AirAsia Bhd and AirAsia X has created some degree of uncertainty in the volume demand for in-flight meals. However, revenue from other foreign carriers are expected to remain stable.

- **F&B Segment**

  The revenue for F&B segment for the current year contributed RM8.91 million, a significant increase from RM1.19 million in the previous year. This is largely resulted by an additional RM7.72 million in the revenue contributed from the acquisition of Dewina Host Sdn. Bhd. for the current year, which was concluded on 21 July 2011.

- **Warehouse Rental, Freight Forwarding, Transportation & Insurance Agency**

  The revenue for warehouse rental, freight forwarding, transportation and insurance agency segment for the current year was a dismal

RM4.1 million decreasing from RM4.6 million in the previous year. This division is no longer the focus of the Group although it maintains a presence in North Port with a warehouse on a sub-lease land from KTM Warehouse Management Sdn. Bhd., a related company of the Malayan Railway Administration. The management had taken the necessary action to stem-out further losses from this business segment.

BALANCE SHEET AND FUNDING SOURCES

One of our focus on risk management is on Balance Sheet size and composition. While the Group's asset base changes arising from market fluctuations and client's activities, and the opportunities of new businesses, our Balance Sheet size and composition reflects (i) our ability to tolerate risk, (ii) our ability to access to funding sources and (iii) the mix of debt and equity in our Enterprise value to seize new business opportunities.

As the Group expands, it becomes critical to have an efficient capital management mechanism and a strong finance committee to dynamically manage assets and liabilities, including:

- quarterly planning and review
- business-specific limits
- setting and monitoring key metrics and
- scenario planning and analyses.

The Group has set up an Executive Board to carry out the above functions.

Total Assets of the Group increased to RM300.9 million from RM270.4 million in the previous year representing a growth of RM30.5 million or 11.3%, largely the result of acquisition of Dewina Host Sdn. Bhd.

The Group Shareholders Funds for the year likewise increased to RM170.1 million from RM161.4 million, a growth of RM8.6 million or 5.3%.

The Group's Total Liabilities for the year increased to RM123.2 million from RM106.2 million in the previous year mainly arising from new borrowings of RM20.0 million to fund the acquisition of Dewina Host Sdn. Bhd., an F&B operator at KLIA & LCCT in line with the Group's expansion plans.

Correspondingly, Net Assets per Ordinary Share of the Group for the year has improved to RM0.95 from RM0.90 in the previous year.

Table 2 shows the Group's external funding sources.

OVERVIEW AND STRUCTURE OF RISKS MANAGEMENT

The Board acknowledges its overall responsibility of maintaining the Brahim's Holdings Berhad's (formerly known as Tamadam Bonded Warehouse Berhad) ("BHB" or "the Company") system of internal control, which provides reasonable assessment of effective and efficient operations, risk management practices, internal financial controls and compliance with laws and regulations, as well as with internal procedures and guidelines, to safeguard the shareholders' investments and the Company's assets.

However, due to the complexity and management of a wide range of risks, the nature of these risks means that events may occur which could give rise to unanticipated or unavoidable losses. It should be noted that the Company's system of internal control and risk management are designed to provide reasonable but not absolute assurance against material misstatement, frauds or losses. It is possible that internal controls can be circumvented or overridden. Due to the changing circumstances and conditions, the effectiveness of an internal control system may vary over time.

The rationale of the system of internal controls is to enable the Company to achieve its corporate objectives within an acceptable risk profile and cannot be expected to eliminate all the risks. The Group's system of internal control does not apply to Jointly Controlled Entities where the Group does not have full management control over them.

RECENT ACCOUNTING DEVELOPMENTS

No major accounting developments that affect the company and the group for the current financial year. See Note 5 to the consolidated financial statements for information about significant Accounting Policies and Note 4 on Basis of Preparation of the financial statements.

Table 2: The Group's External Funding Sources

	BHB	BLSG	TISB	CB	DH	TOTAL
External Credit Facilities (RM)	25,423,192	33,413,160	-	2,487,838	-	61,324,190
Average Cost of Borrowings	7.15% p.a.	6.3%-7.4% p.a	-	7.46% p.a	-	-

RISKS FACTORS THAT MAY AFFECT OUR BUSINESS

- The ongoing uncertainty over global economic growth remains a key concern. The Eurozone debt crisis lingers, recovery in the US remains unconvincing and growth in the Asia region seems to be moderating. Overall, a slower global economy could have an unfavourable impact on tourist arrivals and air passenger traffic growth, which will adversely affect the performance of our in-flight catering and F&B outlet operations at the airports. Concern over potential acts of terrorism and epidemic outbreaks could also serve to hurt the air travel industry, and undermine our core business.

- Rising costs and competition are also common risk factors within the food-related industry. In that respect, we have always possessed the core competencies, drawing on our experience and knowledge in food services and established relationships with our business partners and customers, to mitigate such business risks.

- Restaurant operation business in airports is highly competitive and is characterised by sensitivity to price changes, branding of products and changes in consumer preference and behavior. It is the intention of BHB to constantly review business strategies together with Host International Inc to mitigate business risks associated with restaurant operations. The Group would review the operation strategies on regular basis to enable the Group to react swiftly to changes in the industry to mitigate the industry risks.

- Like any other concessions, DHost's rights to operate the restaurants in the airport could materially and/or adversely affected by changes in political and economic conditions in Malaysia. These political and economic uncertainties include, but are not limited to, changes in political leadership, nationalisation, expropriation and taxations.

- DHost's rights to operate in the airports are based on negotiated tenancy terms. DHost does not expect immediate major financial impact arising from the loss of rights by DHost until the expiry of the respective tenancies. In forging ahead the business strategies of BHB, the Board constantly reviews its operations and business activities and carefully considers business opportunities that may arise and present itself to the BHB Group. In the event that DHost loses the rights to operate the restaurants in the airports, DHost will take proactive steps to consider and venture into other profitable business with the view to counter for the loss in revenue and profit contribution of DHost. DHost's rental expenses was approximately 30% of the total operating expenses. As the rental expenses comprise a significant portion of the total operating expenses of DHost, any substantial increase in rental may adversely affect the profitability of DHost. Most of DHost's tenancy agreements are for a period between 2 to 3 years. Upon the expiry of the tenancy of a restaurant, Malaysia Airports (Sepang) Sdn Bhd or its affiliates ("Landlord") would have the right to review and alter the terms and conditions of the tenancy agreement. DHost would negotiate with the Landlord on the terms and conditions for the extension of the tenancy upon the expiry of the tenancy agreement. However, there is no assurance that the tenancy agreement will be renewed or extended. Nonetheless, based on the successful renewal of rental agreements by DHost historically, the management believes that DHost would be able to maintain a cordial relationship with Landlord in the future.



Building Value

We continue to broaden the spectrum of our value from our in-flight catering services and F&B operations. We are especially proud of our long-term relationships. Our customers rely on our commitment to strengthen their businesses and rely on our commitment to deliver quality products and services. We foster a culture that works hard in pursuing our business goals. We must continue to deliver superior performance and to grow and thrive as a successful Group.

Audit Committee Report

CHAIRMAN

Col. (Rtd) Dato' Ir Cheng Wah
Independent Non-Executive Director

MEMBERS

Goh Joon Hai
Independent Non-Executive Director
Dato' Choo Kah Hoe
Non-Independent Non-Executive Director

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Board of Directors of BRAHIM'S HOLDINGS BERHAD (formerly known as Tamadam Bonded Warehouse Berhad) ("the Company") hereby constitutes and establishes an audit committee ("the Committee") as provided below:

Composition

The Committee shall be appointed from amongst the Board and shall comprise no fewer than three (3) members, a majority of whom shall be independent directors and all members should be non-executive directors. At least one (1) member must be a member of the Malaysian Institute of Accountants or possess such other qualifications and/or experience as approved by the Bursa Malaysia Securities Berhad.

In the event of any vacancy with the result that the number of members is reduced to below three, the vacancy shall be filled within two (2) months but in any case not later than three (3) months. Therefore a member of the Audit Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.

The terms of office and performance of an audit committee and each of its members must be reviewed by the Board of Directors at least once every three (3) years to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.

Chairman

The Chairman, who shall be elected by the Audit Committee, shall be an independent director. In the event of the chairman's absence, the meeting shall be chaired by an independent director.

The Chairman should engage on a continuous basis with senior management, such as the chairman, the chief executive officer, the finance director, the head of internal audit and the external auditors in order to be kept informed of matters affecting the company.

Secretary

The Company Secretary shall be the Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee Members. The Committee Members may inspect the minutes of the Audit Committee at the Registered Office or such other place as may be determined by the Audit Committee.

Meetings

The Committee shall meet at least four (4) times in each financial year and may regulate its own procedure in lieu of convening a formal meeting by means of video or teleconference. The quorum for a meeting shall be the majority of members present, who shall be independent directors.

The Committee may call for a meeting as and when required with reasonable notice as the Committee Members deem fit.

All decisions at such meeting shall be decided on a show of hands on a majority of votes.

The external auditors and internal auditors have the right to appear at any meeting of the Audit Committee and shall appear before the Committee when required to do so by the Committee. The external auditors may also request a meeting if they consider it necessary.

Rights

The Audit Committee shall:

(a) have authority to investigate any matter within its terms of reference;
(b) have the resources which are required to perform its duties;
(c) have full and unrestricted access to any information pertaining to the Group;
(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
(e) have the right to obtain independent professional or other advice at the Company's expense;
(f) have the right to convene meetings with the external auditors, excluding the presence of the executive board members, at least twice a year and whenever deemed necessary;
(g) promptly report to the Bursa Malaysia Securities Berhad ("Bursa Securities"), or such other name(s) as may be adopted by Bursa Securities, matters which have not been satisfactorily resolved by the Board of Directors resulting in a breach of the listing requirements;
(h) have the right to pass resolutions by a simple majority vote from the Committee and that the Chairman shall have the casting vote should a tie arise;
(i) meet as and when required upon reasonable notice;
(j) the Chairman shall call for a meeting upon the request of the External Auditors.

Duties

(a) To review with the external auditors on:
- the audit plan, its scope and nature;
- the audit report;
- the results of their evaluation of the accounting policies and systems of internal accounting controls within the Group; and
- the assistance given by the officers of the Company to external auditors, including any difficulties or disputes with Management encountered during the audit.

(b) To review the adequacy of the scope, functions and resources and set the standards of the internal audit function.
(c) To recommend such measures as to be taken by the Board of Directors on the effectiveness of the system of internal control and risk management practices of the Group.
(d) To review the internal audit programme, processes the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
(e) To review with management:
- audit reports and management letter issued by the external auditors and the implementation of audit recommendations;
- interim financial information; and
- the assistance given by the officers of the Company to external auditors.

(f) To discuss problems and reservations arising from interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary).
(g) To monitor related party transactions entered into by the Company or the Group and to determine if such transactions are undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and to ensure that the Directors report such transactions annually to shareholders via the annual report, and to review conflicts of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
(h) To review the quarterly reports on consolidated results and annual financial statements prior to submission to the Board of Directors, focusing particularly on:
- changes in or implementation of major accounting policy and practices;
- significant and/or unusual matters arising from the audit;
- the going concern assumption; and
- compliance with accounting standards and other legal requirements.

(i) To consider the appointment and/or re-appointment of auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as auditors to the board.
(j) To verify the allocation of options pursuant to a share scheme for employees as being in compliance with the criteria for allocation of options under the share scheme, at the end of each financial year.

Table 1: Attendance of Audit Committee Members

Name of Member	No. of Meetings Attended by Members
Col (Rtd) Dato' Ir Cheng Wah	6/6
Goh Joon Hai	6/6
Dato' Choo Kah Hoe	6/6

Attendance at Meetings

During the financial year ended 31 December 2011, the Audit Committee held a total of six (6) meetings. The details of attendance of the Committee members are listed in the Table 1.

Summary of Activities

During the year under review, the following were the activities of the Audit Committee:

- Reviewed and discussed the observations, recommendations and Audit Report and the Management's comments in respect of the issues raised by the Internal Auditor on the evaluation of the system of internal controls.
- Reviewed the staffing requirements of the Internal Audit Department (IAD) to ensure that the IAD is adequately staffed with employees with the relevant skills, knowledge and experience to enable the IAD to perform its role including the provision of training.
- Reviewed the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work.
- Reviewed and discussed the internal audit reports. The Committee was briefed by the Head of Internal Audit that in a few instances, the audit process identified certain control and operational weaknesses which were brought to the attention of the management and that corrective action had been taken to rectify the weaknesses.
- Reviewed the quarterly and year end financial statements and ensured that the financial reporting and disclosure requirements of relevant authorities had been complied with, focusing particularly on:
  - changes in implementation of major accounting policy changes;
  - the going concern assumptions;
  - significant adjustments resulting from audit;
  - major judgemental areas, significant and unusual events; and
  - compliance with accounting standards and other legal requirements.
- Reviewed the related party transactions and conflict of interest situation that may arise within the Company or Group including any transactions, procedures or course of conduct that raise questions of management integrity which were incurred during the financial year, were done in the ordinary course of business.
- The Audit Committee met with the external auditors twice during the year without members of management being present.
- Reviewed the acquisition of Dewina Host Sdn Bhd.

Corporate Governance Statement

The Board of Directors recognises the importance of practicing the highest standards of Corporate Governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of Brahim's Holdings Berhad (formerly known as Tamadam Bonded Warehouse Berhad) ("**BHB**" or "**the Company**").

As such, the Board of Directors continues to affirm its commitment in adhering to the Principles and Best Practices set out in the Malaysian Code on Corporate Governance.

Set out below is a description of how the Group has applied the Principles of the Code and how the Board of Directors has complied with the Best Practices set out in the Code throughout the financial year ended 31 December 2011.

THE BOARD STRUCTURE, DUTIES AND EFFECTIVENESS

Board Size, Leadership and Competencies

An experienced and effective Board consisting of mainly independent members with a wide range of skills and experience from financial and business background leads and controls the Group. The directors bring depth and diverse expertise to the leadership of the challenging and highly competitive in-flight catering, restaurant operation, logistics and warehousing businesses.

The Board continues to give close consideration to its size, composition, spread of experience and expertise. No individual or group of individuals dominates the Board's decision making. This is to ensure that issues of strategy, performance and resources are fully discussed and examined to take into account the long term interests of stakeholders of the Company.

As at 31 December 2011, the Board size of seven members comprises the Executive Chairman, a Managing Director, two Independent Non-Executive Directors and three Non-Independent Non-Executive Directors. Subsequently, the Managing Director was re-designated as Non-Independent Executive Director on 1 January 2012. The composition of the Board meets the criteria on one-third independent directorship as set out in the Main Market Listing Requirements.

Board Duties and Responsibilities

The Board owes the fiduciary duties to the Company and, while discharging its duties and responsibilities, shall individually and collectively exercise reasonable care, skill and diligence at all times.

The principal responsibilities of the Board of Directors of the Company are as follows:

- Reviewing and adopting a strategic plan for the Company which will enhance the future growth of the Company.
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed.
- Fulfiling its oversight responsibility for financial and operational results, legal-ethical compliance and risk management
- Identifying principal risks of the business and ensure the implementation of appropriate systems to manage the risks; and
- Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The roles of the Executive Chairman and former Managing Director are separate with clearly defined responsibilities to ensure the balance of power and authority. The Executive Chairman is primarily responsible for the orderly conduct and workings of the Board whilst the former Managing Director is responsible for the overall operations of the business and the implementation of Board strategy and policy.

All the Independent Non-Executive Directors are independent of management and are free from any business or other relationship that could materially interfere with the exercise of their independent judgement. They have the calibre to ensure that the strategies proposed by the management are fully deliberated and examined in the long-term interests of the Group, as well as shareholders, employees and customers.

Col (Rtd) Dato' Ir Cheng Wah is the Senior Independent Non-Executive Director to whom concerns relating to the Company may be conveyed by shareholders and other stakeholders.

Board Meetings and Supply of Information to the Board

The former Managing Director of the Company undertakes the responsibility to ensure that the agenda and full set of Board papers (including qualitative information of the Company) for consideration are distributed well before each meeting of the Board to ensure that the Directors have sufficient time to study them and be properly prepared for discussion and decision making. Time is allocated for Directors to raise other matters not covered by the formal agenda.

All directors of the Company whether in full Board or in their individual capacity, have access to all information within the Company and are able to seek independent professional advice where necessary and, in appropriate circumstances, in furtherance of their duties.

The Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board meeting procedures are followed and that applicable rules and regulations are complied with.

During the financial year ended 31 December 2011, nine Board of Directors' meetings were convened. The details of attendance of the Board members are listed in Table 1.

All proceedings, deliberations and conclusions of the Board and Board Committees Meetings are clearly recorded in the minutes of meetings by the Company

Table 1: Attendance of the Board Members

Name of Director	No. of Meetings Attended	%
Datuk Ibrahim Bin Haji Ahmad	6/9	67
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	6/9	67
Col (Rtd) Dato' Ir Cheng Wah	8/9	89
Mr Goh Joon Hai	9/9	100
Mr Cheam Heng Cheang	7/9	78
Dato' Choo Kah Hoe	9/9	100
En Mohamed Zamry Bin Mohamed Hashim	9/9	100

Table 2: Nomination Committee

Name	Designation
Goh Joon Hai (Chairman) (Appointed as Chairman on 26 March 2012)	Independent Non-Executive Director
Col (R) Dato' Ir Cheng Wah (Member) (Resigned as Chairman on 26 March 2012)	Independent Non-Executive Director
Dato' Choo Kah Hoe (Member)	Non-Independent Non-Executive Director

Secretaries, confirmed by the Board and signed as correct record by the Chairman of the Meeting. The Board also exercises control on routine matters that require the Board's approval through the circulation of Directors' Resolutions In Writing as allowed under the Company's Articles of Association.

BOARD COMMITTEES

The Board Committees of the Company consist of the Audit Committee, Nomination Committee and Remuneration Committee. The Chairman of the respective Board Committees reports the outcome of the Board Committee Meetings to the Board, and if required, further deliberations are made at Board level.

Audit Committee

The Audit Committee comprises two Independent Non-Executive Directors and one Non-Independent Non-Executive Director with Col (Rtd) Dato' Ir Cheng Wah as Chairman of the Committee. The composition and Terms of Reference of the Audit Committee are also provided in this report.

The Audit Committee has explicit authority from the Board to investigate any matter and is given full responsibility within its term of reference and necessary resources which it needs to do so and full access to information. The Audit Committee also meets at least twice a year with the external auditors without the presence of the executive Board members.

Nomination Committee

As at the reporting date, the Board has established a Nomination Committee comprised exclusively of Non-Executive Directors are listed in Table 2.

Pursuant to the terms of reference of the Nomination Committee, the main functions of the Nomination Committee amongst others, are to recommend to the Board candidates for all directorship or Board Committees to be filled and to administer the annual assessment of Directors, including a review of the skill, qualification and competencies of the Board as a whole, the committees of the board and for assessing the contribution of each individual director.

At a meeting held on 21 November 2011, the Nomination Committee reviewed the results of assessment of performance and effectiveness of the Board, Remuneration Committee as well as individual Directors.

Re-Appointment and Re-Election of Directors

Each director must retire from office at least once in every three years and can offer himself for re-election. Directors who are appointed by the Board are subject to election by the shareholders at the next Annual General Meeting held following their appointment.

Each year, the Nomination Committee assesses the experience, competence, integrity and capability of each Director including the Director over 70 years old who wishes to continue his office before making recommendation to the Board.

Directors' Continuing Education

The Directors had during the financial year attended the following trainings, conferences, seminars and briefings relevant to their functional duties:

- **Datuk Ibrahim Bin Haji Ahmad**
  1. Half Day Governance Program On Assessing The Risk And Control Environment held on 24 March 2011
  2. Anuga Cologne Food Fair held on 9 October 2011
- **Y Bhg Tan Sri Dato' Mohd Ibrahim Mohd Zain**
  1. Anuga Cologne Food Fair held on 9 October 2011
- **Mr Cheam Heng Cheang**
  1. Half day Directors' Session on Sustainability Programme for Corporate Malaysia held on 13 April 2011
  2. Briefing on Directors' & Officers' Liability: A Challenge Landscape held on 21 July 2011
- **En Mohamed Zamry Bin Mohamed Hashim**
  1. Half day Governance Program on Assessing the Risk and Control Environment held on 24 March 2011

2. Half day Directors' Session on Sustainability Programme for Corporate Malaysia held on 13 April 2011
3. Briefing on Directors' & Officers' Liability: A Challenge Landscape held on 21 July 2011

- **Col (Rtd) Dato' Ir Cheng Wah**
  1. Wealth Management Property Talk 2011 held on 15 January 2011
  2. Signs Of Creator 2 Grazed By Y. Bhg Tun Abdullah Hj Ahmad Badawi held on 29 January 2011
  3. Launch Of Corporate Integrity Pledge by Datuk Seri Idris Jala held on 31 March 2011
  4. Half Day Directors' Session on Sustainability Programme for Corporate Malaysia held on 13 April 2011
  5. Bursa Malaysia Corporate Governance Week 2011 on
     - Independent Directors Are A Myth; and
     - Taking Socially Responsible Investment Practices Forward held on 1 December 2011

- **Mr Goh Joon Hai**
  1. Tax Audit & Investigations Framework – A Legal and Practical held on 22 September 2011
  2. MIA-AFA Conference 2011 on Converge, Transform, Sustain: Towards World Class Excellence held on 2 and 3 November 2011

- **Dato' Choo Kah Hoe**
  1. Half Day Governance Program on Assessing the Risk and Control Environment held on 24 March 2011
  2. Half Day Directors' Session on Sustainability Programme For Corporate Malaysia held on 13 April 2011
  3. Half Day Advocacy Sessions on Disclosure for Chief Executive Officers and Chief Financial Officers held on 30 September 2011

Remuneration Committee

The Remuneration Committee is responsible for recommending the level of remuneration of individual directors. The interested Directors shall abstain from any discussion on their own remuneration packages. As at the reporting date, the Remuneration Committee comprised of the following Directors are listed in Table 3.

Remuneration Policy and Procedures

The Code states that remuneration for directors should be determined so as to ensure that the Company attracts and retains the directors needed to run the Company successfully. In the Company, remuneration for Executive Directors is structured so as to link reward to corporate and individual performance. In the case of Non-Executive Directors, we believe that the level of remuneration should reflect the level of experience and responsibilities undertaken.

At a meeting held on 21 November 2011, the Remuneration Committee made a recommendation to the Board for payment of additional Directors' fees of RM100,000 for the financial year ended 31 December 2011. It is subject to the approval of the Shareholders at the forthcoming AGM.

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the company during the financial year are listed in Table 4.

RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

Dialogue with Investors and Shareholders

The Annual General Meeting is the principal forum for dialogue with shareholders. At each Annual General Meeting, the Board presents the progress and performance of the business and shareholders are encouraged to participate in the question and answer session.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors, with assistance of the Audit Committee, are responsible for the accuracy and integrity of the annual audited financial statements and the Board ensures that the accounts and other financial reports of the Company are prepared in accordance with Approved Accounting Standards in Malaysia and present a balanced and comprehensive assessment of the Company's position and prospects, to all the shareholders.

The Company's Annual Report and quarterly announcements of results gives an updated financial performance of the Company periodically.

Directors' Responsibility Statement

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs if the Company and of the Group and of the results of their operations and cash flows of the Group as at the end of the financial year in accordance with the requirements of the Companies Act, 1965 (the "Act").

During the preparation of the Company's financial statements for the year ended 31 December 2011, the Directors have:

- used appropriate accounting policies that are consistently applied and supported by reasonable and prudent judgments and estimates;
- ensured that all applicable accounting standards have been followed, subject to any material departures disclosed and explained in the notes to the financial statements; and
- prepared the financial statements on a going concern basis.

The Directors are required to keep proper accounting records which disclose with reasonable accuracy the financial position of the Company and the Group in compliance with the Act.

Table 3: Remuneration Committee

Name	Designation
Dato' Choo Kah Hoe (Chairman) – Appointed as Chairman on 26 March 2012	Non-Independent Non-Executive Director
Col (R) Dato' Ir Cheng Wah (Member)	Independent Non-Executive Director
Goh Joon Hai (Member) – Resigned as Chairman on 26 March 2012	Independent Non-Executive Director
Cheam Heng Cheang (Member)	Former Managing Director (Redesignated as Non-Independent Non-Executive Director)

Table 4: Aggregate of Directors' Remuneration Paid or Payable

Descriptions	Chairman RM	Executive Director RM	Non-Executive Director RM	Total RM
Fees	40,000	30,000	150,000	220,000
Salary and other emoluments	663,500	363,020	22,500	1,049,020
Benefits-in-kind (BIK)	-			
Total	703,500	393,020	172,500	1,269,020

The number of Directors of the Company whose income from the Company falling within the following bands are listed in Table 5.

Table 5: Number of Directors' Remuneration (by Range)

Range of Remuneration	Executive Director	Non-Executive Director	Total
RM0 to 50,000	-	5	5
RM350,001 to RM400,000	1	-	1
RM650,001 and above	1	-	1

The Directors are also responsible for safeguarding the assets of the Company and the Group and to prevent and detect fraud and other irregularities that may arise.

Internal Control

The Directors recognise their responsibility for the maintenance of a sound system of internal control, covering not only financial controls but also compliance controls including risk assessment framework and control activities covering information and communication, and reviewing its effectiveness. As with any such system, controls can only provide reasonable but not absolute assurance against material misstatements or loss. The Group is continuously looking into the adequacy and integrity of its system of internal controls.

Internal Audit

The Board has an internal audit department. The internal audit department is to be independent and audit work will be conducted with impartiality, proficiency and due professional care.

Relationship with Auditors

The Board ensures that there is a transparent arrangement for the achievement of objectives and maintenance of professional relationship with External Auditors and Internal Auditors via the Audit Committee who has explicit authority to communicate directly with them.

During the financial year, there were no non audit fees incurred by the Company to the external auditors.

Other Information

During the financial year ended 31 December 2011, save and except as mentioned below, there were no:

- Corporate fund-raising exercises undertaken by the Company.
- Options, warrants or convertible securities were exercised or issued by the Company or its subsidiaries.
- Share buybacks.
- American Depository Receipts or Global Depository Receipts programmes sponsored by the Company.
- Sanctions and/or penalties imposed on the Company or its subsidiary companies.
- Variance of results which differ by 10% or more from any profit estimate/forecast/projection/unaudited results announced.
- Profit guarantees given by the Company.
- Material contracts of the Company and its subsidiary companies involving directors' and substantial shareholders' interests.

Statement on Internal Control

RESPONSIBILITY FOR RISK AND INTERNAL CONTROL

The Board acknowledges its overall responsibility of maintaining the Brahim's Holdings Berhad's (formerly known as Tamadam Bonded Warehouse Berhad) ("BHB" or "the Company") system of internal control, which provides reasonable assessment of effective and efficient operations, risk management practices, internal financial controls and compliance with laws and regulations, as well as with internal procedures and guidelines, to safeguard the shareholders' investments and the Company's assets. However, due to the complexity and management of a wide range of risks, the nature of these risks means that events may occur which could give rise to unanticipated or unavoidable losses. It should be noted that the Company's system of internal control and risk management are designed to provide reasonable but not absolute assurance against material misstatement, frauds or losses. It is possible that internal controls can be circumvented or overridden. Due to the changing circumstances and conditions, the effectiveness of an internal control system may vary over time. The rationale of the system of internal controls is to enable the Company to achieve its corporate objectives within an acceptable risk profile and cannot be expected to eliminate all the risks. The Group's system of internal control does not apply to Jointly Controlled Entities where the Group does not have full management control over them.

KEY PROCESSES

The Board confirms that there is a continuous process for identifying, evaluating and managing the significant risks faced by the Group, which has been in place for the financial year under review and up to the date of approval of the annual report and financial statements.

The key processes that the directors have established in reviewing the adequacy and integrity of the system of internal controls are as follows:

a. A documented operating procedures manual, guidelines and directives are issued and updated from time to time to ensure that the business objectives are achieved.

b. Monthly reporting of results and key performance indicators to assess and sustain the effectiveness of the Company's system of controls.

c. Review the effectiveness, adequacy and integrity of the Company's internal control system. The results are reviewed with various levels of management and any major concerns identified are raised to senior management and the Board's Audit Committee.

d. An independent internal audit department has been established and to report to the Audit Committee of the Company. The internal audit team performed its duties in accordance with its annual audit plan covering management, operational and system audit of the Company. The internal audit function is performed in-house and the costs incurred for the internal audit function in year 2011 is about RM80,000 per annum.

e. A clearly defined organisational structure with clear lines of delegation of responsibilities to Committees of the Board, the management of the Company and operating units including authorisation levels for all aspects of the businesses.

f. The professionalism and competence of staff is maintained through a rigorous recruitment process, a performance appraisal system and a wide variety of training and development programmes. Effective monitoring on a continuous basis is an essential component of a sound system of internal control. Internal control reports are regularly reviewed by the Board. Any significant control failure or weaknesses identified will be discussed in the reports, including any impact on the Company and the actions being taken to rectify them. The effectiveness of the Company's system of internal controls will continue to be reviewed, added on or updated in line with the changes in the operating environment. The Board further seeks regular assurance on the continuity and effectiveness of the internal control system through independent appraisals by the Internal Auditors. The Board is of the view that the current system of internal control is in place throughout the Company and sufficient to safeguard the Company's interests.

There were no material losses incurred during the financial year as a result of weaknesses in internal control. The Board, together with Management continues to take measures to strengthen the control environment.

Financial Statements

For the Financial Year Ended 31 December 2011

Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of providing bonded warehousing, freight forwarding and transportation services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

CHANGE OF NAME

On 1 June 2011, the Company changed its name from Tamadam Bonded Warehouse Berhad to Brahim's Holdings Berhad.

RESULTS

	The Group	The Company
	RM	**RM**
Profit/(Loss) after taxation for the financial year	14,950,461	(5,068,556)
Attributable to:		
Owners of the Company	8,636,151	(5,068,556)
Non-controlling interest	6,314,310	-
	14,950,461	(5,068,556)

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, 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 impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, 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, have 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 methods 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:

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and 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, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

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 AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

HOLDING COMPANY

The holding company is Brahim's International Franchises Sdn. Bhd., a company incorporated in Malaysia.

DIRECTORS

The directors who served since the date of the last report are as follows:

Datuk Ibrahim Bin Haji Ahmad
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain
Cheam Heng Cheang
Col (Rtd) Dato' Ir Cheng Wah
Goh Joon Hai
Mohamed Zamry Bin Mohamed Hashim
Dato' Choo Kah Hoe

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:

	Number of Ordinary Shares of RM1.00 Each			
	At 1.1.2011	**Bought**	**Sold**	**At 31.12.2011**
Direct Interests				
Col (Rtd) Dato' Ir Cheng Wah	22,500	-	-	22,500
Cheam Heng Cheang	14,121,000	-	-	14,121,000
Indirect Interests				
Datuk Ibrahim Bin Haji Ahmad	118,605,000	-	-	118,605,000
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	93,605,000	-	-	93,605,000
Cheam Heng Cheang	1,375,000	-	-	1,375,000
Dato' Choo Kah Hoe	25,000,000	-	-	25,000,000

By virtue of their interests in the Company, Datuk Ibrahim Bin Haji Ahmad, Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain, Cheam Heng Cheang and Dato' Choo Kah Hoe are deemed to have interests in shares in the subsidiaries to the extent of the Company's interest, in accordance with Section 6A of the Companies Act 1965.

The other directors holding office at the end of the financial year had no interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) 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.

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

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year of the Group and of the Company is disclosed in Note 44 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The significant events occurring after the end of the reporting period are disclosed in Note 45 to the financial statements

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

Datuk Ibrahim Bin Haji Ahmad

Mohamed Zamry Bin Mohamed Hashim

Kuala Lumpur, Malaysia
Date: 6 April 2012

Statement by Directors

We, Datuk Ibrahim Bin Haji Ahmad and Mohamed Zamry Bin Mohamed Hashim, being two of the directors of Brahim's Holdings Berhad (formerly known as Tamadam Bonded Warehouse Berhad), state that, in the opinion of the directors, the financial statements set out on pages 50 to 97 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2011 and of their results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 46, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

Datuk Ibrahim Bin Haji Ahmad

Mohamed Zamry Bin Mohamed Hashim

Kuala Lumpur, Malaysia
Date: 6 April 2012

Statutory Declaration

I, Ching Kian Hoe, I/C No. 661127-10-5327, being the officer primarily responsible for the financial management of Brahim's Holdings Berhad (formerly known as Tamadam Bonded Warehouse Berhad), do solemnly and sincerely declare that the financial statements set out on pages 50 to 97 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
Ching Kian Hoe, I/C No. 661127-10-5327,
at Kuala Lumpur in the Federal Territory
on this Date: 6 April 2012

Ching Kian Hoe

Before me

PESURUHJAYA SUMPAH
No. W - 275
Datin Hajah Raihela Wanchik
MALAYSIA

B-16-5
Blok B, Ting. 16 Unit 5
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 012-3008300
03-27156556

Independent Auditors' Report

To the Members of Brahim's Holdings Berhad
(Formerly Known as Tamadam Bonded Warehouse Berhad)
(Incorporated in Malaysia) Company No: 82731-A

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Brahim's Holdings Berhad (formerly known as Tamadam Bonded Warehouse Berhad), which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 50 to 97.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2011 and of their financial performance and cash flows for the financial year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

The supplementary information set out in Note 46 on page 97 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

James Chan Kuan Chee
Approval No: 2271/10/13 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
Date: 6 April 2012

Statements of Financial Position

At 31 December 2011

	Note	The Group			The Company	
		31.12.2011	31.12.2010	1.1.2010	31.12.2011	31.12.2010
		RM	RM	RM	RM	RM
	Note		(Restated)	(Restated)		
Assets						
Non-Current Assets						
Investment in subsidiaries	6	-	-	-	1,780,906	580,906
Investment in joint ventures	7	-	-	-	150,005,100	130,005,100
Property, plant and equipment	8	45,930,092	42,276,418	42,083,767	1,101,351	1,348,103
Other investment	9	1	1	1	1	1
Intangible assets	10	597,720	929,220	1,101,600	-	-
Goodwill	11	178,400,733	163,698,180	163,698,180	-	-
Deferred tax assets	12	143,310	22,950	7,348,590	-	-
		225,071,856	206,926,769	214,232,138	152,887,358	131,934,110
Current Assets						
Inventories	13	4,203,926	3,685,994	2,808,395	-	-
Trade receivables	14	36,164,109	34,595,910	34,161,359	1,683,478	1,581,666
Other receivables, deposits and prepayments	15	6,415,170	5,583,719	7,051,547	467,666	796,070
Amount owing by subsidiaries	16	-	-	-	28,685,619	29,300,499
Amount owing by joint ventures	17	27,457	-	-	27,101	-
Tax recoverable		-	19,380	28,050	-	-
Fixed deposits with licensed banks	18	17,111,440	4,756,549	5,601,974	6,726,549	268,549
Cash and bank balances		12,005,741	14,892,633	11,600,744	100,459	109,224
		75,927,843	63,534,185	61,252,069	37,690,872	32,056,008
Total Assets		300,999,699	270,460,954	275,484,207	190,578,230	163,990,118
Equity and Liabilities						
Equity						
Share capital	19	179,005,000	179,005,000	179,005,000	179,005,000	179,005,000
Reserves	20	(8,926,845)	(17,562,996)	(24,115,186)	(44,899,870)	(39,831,314)
		170,078,155	161,442,004	154,889,814	134,105,130	139,173,686
Non-controlling interest		7,639,800	2,852,940	(2,838,660)	-	-
Total Equity		177,717,955	164,294,944	152,051,154	134,105,130	139,173,686
Non-Current Liabilities						
Deferred tax liabilities	12	2,125,170	-	-	-	-
Long-term borrowings	21	23,183,033	24,425,776	51,132,905	16,635,143	5,355,346
		25,308,203	24,425,776	51,132,905	16,635,143	5,355,346
Current Liabilities						
Trade payables	24	16,051,782	18,979,906	17,734,108	990,414	854,403
Other payables and accruals	25	35,370,668	24,193,603	22,062,456	23,734,472	11,010,613
Short-term borrowings	26	38,580,119	32,337,461	23,284,993	8,815,441	1,366,806
Provision for taxation		1,673,342	-	-	-	-
Bank overdrafts	27	6,297,630	6,229,264	9,218,591	6,297,630	6,229,264
		97,973,541	81,740,234	72,300,148	39,837,957	19,461,086
Total Liabilities		123,281,744	106,166,010	123,433,053	56,473,100	24,816,432
Total Equity and Liabilities		300,999,699	270,460,954	275,484,207	190,578,230	163,990,118
Net Assets Per Ordinary Share (RM)	28	0.95	0.90	0.87		

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

Statements of Comprehensive Income

For the Financial Year Ended 31 December 2011

		The Group		The Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Revenue	29	184,461,749	165,810,937	4,141,015	4,397,456
Direct operating expenses	30	(82,355,253)	(74,009,483)	(3,053,658)	(5,514,044)
Gross profit/(loss)		102,106,496	91,801,454	1,087,357	(1,116,588)
Other income		799,090	3,051,593	1,805,377	2,060,311
Distribution expenses		(166,703)	(127,776)	(166,703)	(107,285)
Administrative expenses		(69,814,059)	(65,260,613)	(4,492,488)	(3,267,065)
Other expenses		(5,306,591)	(4,831,576)	(837,487)	(7,066,665)
		(75,287,353)	(70,219,965)	(5,496,678)	(10,441,015)
Profit/(loss) from operations		27,618,233	24,633,082	(2,603,944)	(9,497,292)
Finance costs		(4,804,621)	(4,994,292)	(2,464,612)	(1,621,118)
Profit/(loss) before taxation	31	22,813,612	19,638,790	(5,068,556)	(11,118,410)
Income tax expense	32	(7,863,151)	(7,395,000)	-	-
Profit/(loss) after taxation		14,950,461	12,243,790	(5,068,556)	(11,118,410)
Other comprehensive income		-	-	-	-
Total Comprehensive Income/(Expenses) for the Financial Year		14,950,461	12,243,790	(5,068,556)	(11,118,410)
Profit/(Loss) After Taxation					
Attributable to:					
Owners of the Company		8,636,151	6,552,190	(5,068,556)	(11,118,410)
Non-controlling interest		6,314,310	5,691,600	-	-
		14,950,461	12,243,790	(5,068,556)	(11,118,410)
Total Comprehensive Income/(Expenses)					
Attributable to:					
Owners of the Company		8,636,151	6,552,190	(5,068,556)	(11,118,410)
Non-controlling interest		6,314,310	5,691,600	-	-
		14,950,461	12,243,790	(5,068,556)	(11,118,410)
Earnings per share					
- basic	33	4.82 sen	3.66 sen		
- diluted	33	N/A	N/A		

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

Statements of Changes in Equity

For the Financial Year Ended 31 December 2011

		Non-Distributable		Distributable			
		Share Capital	Share Premium	Accumulated Losses	Attributable to Owners of the Company	Non-Controlling Interest	Total Equity
	Note	RM	RM	RM	RM	RM	RM
The Group							
Balance at 1.1.2010		179,005,000	12,384,295	(38,666,981)	152,722,314	13,072,830	165,795,144
Prior year adjustment	43	-	-	2,167,500	2,167,500	(15,911,490)	(13,743,990)
- as restated		179,005,000	12,384,295	(36,499,481)	154,889,814	(2,838,660)	152,051,154
Profit After Taxation/ Total Comprehensive Income for the Financial Year		-	-	6,552,190	6,552,190	5,691,600	12,243,790
Balance at 31.12.2010/1.1.2011		179,005,000	12,384,295	(29,947,291)	161,442,004	2,852,940	164,294,944
Profit after taxation/ Total comprehensive income for the financial year		-	-	8,636,151	8,636,151	6,314,310	14,950,461
Dividend paid by a subsidiary to joint venture		-	-	-	-	(1,527,450)	(1,527,450)
Balance at 31.12.2011		179,005,000	12,384,295	(21,311,140)	170,078,155	7,639,800	177,717,955

	Non-Distributable		Distributable	
	Share Capital	Share Premium	Accumulated Losses	Total Equity
	RM	RM	RM	RM
The Company				
Balance at 1.1.2010	179,005,000	12,384,295	(41,097,199)	150,292,096
Loss After Taxation/Total Comprehensive Expenses for the Financial Year	-	-	(11,118,410)	(11,118,410)
Balance at 31.12.2010/1.1.2011	179,005,000	12,384,295	(52,215,609)	139,173,686
Loss after taxation/ Total comprehensive expenses for the financial year	-	-	(5,068,556)	(5,068,556)
Balance at 31.12.2011	179,005,000	12,384,295	(57,284,165)	134,105,130

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

Statements of Cash Flows

For the Financial Year Ended 31 December 2011

	Note	The Group		The Company	
		2011	2010	2011	2010
		RM	RM	RM	RM
Cash Flows from/(for) Operating Activities					
Profit/(Loss) before taxation		22,813,612	19,638,790	(5,068,556)	(11,118,410)
Adjustments for:					
Allowance for impairment losses on receivables		99,289	1,899,399	575,617	7,030,855
Amortisation of intangible assets		333,540	403,920	-	-
Bad debt written off		38,012	-	38,012	-
Depreciation of property, plant and equipment		6,124,725	4,770,500	284,897	307,255
Financing charges		309,928	7,190	309,928	7,190
Interest expense		4,478,420	4,985,268	2,153,384	1,612,144
Property, plant and equipment written off		224,090	1,020	212,870	-
Interest income		(310,840)	(645,730)	(1,363,249)	(1,684,213)
Net gain on disposal of property, plant and equipment		(224,764)	(126,430)	(91,000)	(127,095)
Unrealised loss on foreign exchange		168,463	-	-	-
Write-back of allowance for impairment losses on receivables		(2,442)	(133,510)	(2,442)	(910)
Operating profit/(loss) before working capital changes		34,052,033	30,800,417	(2,950,539)	(3,973,184)
Increase in inventories		(326,023)	(877,599)	-	-
(Increase)/Decrease in trade and other receivables		(2,372,884)	(732,612)	99,383	4,572,105
Increase in trade and other payables		6,174,282	3,376,945	19,197,870	120,703
Cash from Operations		37,527,408	32,567,151	16,346,714	719,624
Tax paid		(4,035,569)	(60,690)	-	-
Interest paid		(4,478,420)	(4,985,268)	(2,153,384)	(1,612,144)
Net Cash from/(for) Operating Activities		29,013,419	27,521,193	14,193,330	(892,520)
Cash Flows (for)/from Investing Activities					
Investment in joint ventures		-	-	(20,000,000)	-
Additional investment in a subsidiary		-	-	(1,200,000)	-
Repayment from/(Advances to) subsidiaries		-	-	130,902	(1,160,254)
Advances to joint venture		(27,457)	-	(27,101)	-
Interest income		310,840	645,730	1,363,249	1,684,213
Net cash outflow for acquisition of joint venture		(13,734,928)	-	-	-
Placement of fixed deposit with licensed bank		-	-	(6,338,000)	-
Purchase of intangible assets		(2,040)	(231,540)	-	-
Purchase of plant and equipment		(9,380,847)	(5,099,268)	(251,015)	(134,328)
Proceeds from disposal of plant and equipment		226,572	261,527	91,000	261,300
Net Cash (for)/from Investing Activities		(22,607,860)	(4,423,551)	(26,230,965)	650,931
Cash Flows from/(for) Financing Activities					
Financing charges paid		(309,928)	(7,190)	(309,928)	(7,190)
Restructuring of bank borrowings		-	3,000,000	-	3,000,000
Dividend paid		(1,527,450)	-	-	-
Drawdown of term loan		21,940,560	393,714	20,000,000	-
Repayment of bank borrowings		(16,720,967)	(20,645,871)	(1,130,267)	(720,572)
Payment of hire purchase payables		(388,141)	(402,504)	(141,301)	(155,664)
Net Cash from/(for) Financing Activities		2,994,074	(17,661,851)	18,418,504	2,116,574
Net Increase in Cash and Cash Equivalents		9,399,633	5,435,791	6,380,869	1,874,985
Cash and Cash Equivalents at Beginning of the Financial Year		13,419,918	7,984,127	(5,851,491)	(7,726,476)
Cash and Cash Equivalents at End of the Financial Year	34	22,819,551	13,419,918	529,378	(5,851,491)

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

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Malaysian Companies Act 1965. The domicile of the Company is Malaysia. The registered office and the principal place of business are as follows:

Registered office:	10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.	Principal place of business:	7 - 05, 7th Floor Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.

On 6 April 2012, the Company changed its name from Tamadam Bonded Warehouse Berhad to Brahim's Holdings Berhad. The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 6 April 2012.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of providing bonded warehousing, freight forwarding and transportation services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. HOLDING COMPANY

The holding company is Brahim's International Franchises Sdn. Bhd., a company incorporated in Malaysia.

4. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

(a) During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments):

FRSs and IC Interpretations (including the Consequential Amendments)
FRS 1 (Revised) First-time Adoption of Financial Reporting Standards
FRS 3 (Revised) Business Combinations
FRS 127 (Revised) Consolidated and Separate Financial Statements
Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1 (Revised): Additional Exemptions for First-time Adopters
Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary
Amendments to FRS 7: Improving Disclosures about Financial Instruments
Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)

4. BASIS OF PREPARATION (CONT'D)

(a) **FRSs and IC Interpretations (including the Consequential Amendments)** (Cont'd)
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease
IC Interpretation 12 Service Concession Arrangements
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 Distributions of Non-cash Assets to Owners
IC Interpretation 18 Transfers of Assets from Customers
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)
Annual Improvement to FRSs (2010)

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements, other than the following:

(i) FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard has been applied prospectively during the current financial year with no financial impact on the financial statements of the Group but may impact the accounting of its future transactions or arrangements.

(ii) FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, whilst maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the non-controlling interests to be absorbed by the non-controlling interests instead of by the parent. The Group has applied FRS 127 (Revised) prospectively during the current financial year with no financial impact on the financial statements of the Group but may impact the accounting of its future transactions or arrangements.

(iii) Amendments to FRS 7 expand the disclosure requirements in respect of fair value measurements and liquidity risk. In particular, the amendments require additional disclosure of fair value measurements by level of a fair value measurement hierarchy, as shown in Note 42(e) to the financial statements.

(iv) Annual Improvements to FRSs (2010) contain amendments to 11 accounting standards that result in accounting changes for presentation, recognition or measurement purposes. These amendments have no material impact on the financial statements of the Group upon their initial application.

Furthermore, the amendments to FRS 101 (Revised) also clarify that an entity may choose to present the analysis of the items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Group has chosen to present the items of other comprehensive income in the statement of changes in equity.

4. BASIS OF PREPARATION (CONT'D)

(b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

FRSs and IC Interpretations (including the Consequential Amendments)	Effective Date
FRS 9 Financial Instruments	1 January 2015
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 (Revised) Employee Benefits	1 January 2013
FRS 124 (Revised) Related Party Disclosures	1 January 2012
FRS 127 (2011) Separate Financial Statements	1 January 2013
FRS 128 (2011) Investments in Associates and Joint Ventures	1 January 2013
Amendments to FRS 1 (Revised): Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7: Disclosures - Transfers of Financial Assets	1 January 2012
Amendments to FRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2015
Amendments to FRS 101 (Revised): Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to FRS 112: Recovery of Underlying Assets	1 January 2012
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 15 Agreements for the Construction of Real Estate	Withdrawn on 19 November 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011

The Group's next set of financial statements for the annual period beginning on 1 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by the MASB that will also comply with International Financial Reporting Standards ("IFRSs"). As a result, the Group will not be adopting the above accounting standards and interpretations (including the consequential amendments) that are effective for annual periods beginning on or after 1 January 2012.

(c) Following the issuance of MFRSs (equivalent to IFRSs) by the MASB on 19 November 2011, the Group will be adopting these new accounting standards in the next financial year. The possible change of the accounting policies is expected to have no material impact on the financial statements of the Group upon their initial application

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(v) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates and Judgements (Cont'd)

(vi) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(vii) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December 2011.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the Company's shareholders' equity, and are separately disclosed in the consolidated statement of comprehensive income. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

Upon loss of control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 127.

Business combinations from 1 January 2011 onwards

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

The Group has applied the FRS 3 (Revised) in accounting for business combinations from 1 January 2011 onwards. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard.

Business combinations before 1 January 2011

All subsidiaries are consolidated using the purchase method. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Non-controlling interests are initially measured at their share of the fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Intangible Assets

(i) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Business combinations from 1 January 2011 onwards

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

Business combinations before 1 January 2011

Under the purchase method, goodwill represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised as income immediately in profit or loss.

(ii) Computer Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years.

Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

(d) Functional and Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

- Financial Assets at Fair Value Through Profit or Loss

  Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

  Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

- Held-to-maturity Investments

  Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

- Loans and Receivables Financial Assets

  Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

- Available-for-sale Financial Assets

  Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

  After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

  Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

  Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

(ii) Financial Liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(iii) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investments

(i) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

(ii) Investments in Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a joint venture is a joint venture that involves the establishment of a separate entity in which each entity has an interest.

The Group recognises its interest in the joint ventures using proportionate consolidation. The financial statements of the joint ventures are prepared for the same reporting year as the parent company, using consistent accounting policies. Where necessary, adjustments are made to the financial statements of the joint ventures to ensure consistency of accounting policies with those of the Group.

When the Group contributes or sells assets to the joint venture, any portion of gain or loss from the transaction is recognised based on the substance of the transaction. When the Group purchases assets from the joint ventures, the Group does not recognise its share of the profits of the joint ventures from the transactions until it resells the assets to an independent party. The joint ventures are proportionately consolidated until the date on which the Group ceases to have joint control over the joint ventures.

Investments in joint ventures are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

On the disposal of the investments in joint ventures, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:

Warehouse Buildings and Improvements	Over the Lease Period of 55 ¾ Years
Pallets	33 ⅓%
Plant and machinery	5% to 33 ⅓%
Renovation and electrical installations	10% to 66%
Signboard	30% to 33 ⅓%
Furniture, fittings and office equipment	5% to 89%
Motor vehicles	10% to 50%
Containers	10%
Lorries and trucks	10%
EDP equipment	20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Cost of capital work-in-progress includes direct costs, related expenditure and interest cost on borrowings taken to finance the construction or acquisition of the assets to the date that the assets are completed and put into use.

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 from derecognition of the asset is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment

(i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(ii) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Assets Under Hire Purchase

Assets acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 5(g) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

(j) Operating Leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on the straight-line basis over the lease period. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(k) Inventories

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

Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items.

(l) Income Taxes

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are 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 the tax rates that have been enacted or substantively enacted at the end of the reporting period.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Income Taxes (Cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

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 transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(m) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(n) Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

(o) Borrowing Costs

Borrowing costs, directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

(p) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(r) Related Parties

A party is related to an entity if:

(i) directly, or indirectly through one or more intermediaries, the party:
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associate of the entity;
(iii) the party is a joint venture in which the entity is a venturer;
(iv) the party is a member of the key management personnel of the entity or its parent;
(v) the party is a close member of the family of any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(s) Revenue and Other Income

(i) Warehousing Revenue

Warehousing revenue is recognised on a due and receivable basis.

(ii) Forwarding and Transportation Revenue

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(iii) In-flight Catering, Related Service Revenue and Sale of Goods

Revenue is recognised upon delivery of products and customers' acceptance or performance of services, if any, net of discounts.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Revenue and Other Income (Cont'd)

(iv) Rental and Commission Income
Rental and commission income are recognised on an accrual basis.

(v) Interest Income
Interest income is recognised on an accrual basis, based on the effective yield on the investment.

(t) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

6. INVESTMENT IN SUBSIDIARIES

	The Company	
	2011	2010
	RM	RM
Unquoted shares, at cost:		
At 1 January	580,906	580,906
Addition during the financial year	1,200,000	-
At 31 December	1,780,906	580,906

The details of the subsidiaries, which are all incorporated in Malaysia, are as follows:

	Effective Equity Interest		
	2011	2010	
Name of Company	%	%	Principal Activities
Tamadam Crest Sdn. Bhd.	100	100	Insurance agency.
Tamadam Industries Sendirian Berhad	100	100	Provision of warehouse for rental.
Tamadam Marketing Sdn. Bhd.	100	100	Dormant
Cafe Barbera (SEA) Sdn. Bhd.	100	100	Operating a restaurant.

7. INVESTMENT IN JOINT VENTURES

	The Company	
	2011	2010
	RM	RM
Unquoted shares, at cost:		
At 1 January	130,005,100	130,005,100
Addition during the financial year	20,000,000	-
At 31 December	150,005,100	130,005,100

The details of the joint ventures, which are all incorporated in Malaysia, are as follows:

	Effective Equity Interest		
	2011	2010	
Name of Company	%	%	**Principal Activities**
Brahim's - LSG Sky Chefs Holdings Sdn. Bhd.	51	51	Investment holding company.
Dewina Host Sdn. Bhd.	51	-	Catering and related services
Tamadam CWT Sdn. Bhd.	51	51	Dormant

Details of the subsidiary held through Brahim's - LSG Sky Chefs Holdings Sdn. Bhd., which is incorporated in Malaysia, are as follows:

	Effective Equity Interest		
	2011	2010	
Name of Company	%	%	**Principal Activities**
LSG Sky Chefs - Brahim's Sdn. Bhd.	70	70	Catering and related services.

The Group's aggregate share of the non-current assets, current assets, non-current liabilities, current liabilities, income and expenses of the joint ventures are as follows:

	The Group	
	2011	2010
	RM	RM
Assets and Liabilities		
Non-current assets	52,380,081	63,476,130
Current assets	65,694,335	60,078,959
Total Assets	118,074,416	123,555,089
Non-current liabilities	8,673,060	19,070,430
Current liabilities	54,263,426	61,203,788
Total Liabilities	62,936,486	80,274,218
Results		
Revenue	178,003,181	160,223,640
Other income	603,323	2,369,460
Expenses, including finance costs and taxation	(156,775,451)	(143,755,330)

8. PROPERTY, PLANT AND EQUIPMENT

	At 1.1.2011	Acquisition From Joint Venture	Additions	Disposals	Transfer	Written Off	Depreciation Charge	At 31.12.2011
	RM	RM	RM	RM	RM	RM	RM	RM
The Group								
Net Book Value								
Warehouse buildings and improvements	26,671,202	-	-	-	-	-	(620,979)	26,050,223
Containers, pallets, plant and machinery	9,189,227	-	3,261,592	(510)	-	(159,034)	(3,231,309)	9,059,966
Renovation and electrical installations	734,819	272,275	960,657	-	-	(43,991)	(297,258)	1,626,502
Signboard, furniture and fittings, EDP equipment and office equipment	1,531,316	204,879	3,821,730	(1,298)	82,092	(21,065)	(760,365)	4,857,289
Motor vehicles, lorries and trucks	4,149,854	52,836	1,284,145	-	-	-	(1,214,814)	4,272,021
Capital work-in progress	-	11,368	52,723	-	-	-	-	64,091
	42,276,418	541,358	9,380,847	(1,808)	82,092	(224,090)	(6,124,725)	45,930,092

	At 1.1.2010	Additions	Disposals	Written Off	Depreciation Charge	At 31.12.2010
	RM	RM	RM	RM	RM	RM
The Group						
Net Book Value						
Warehouse buildings and improvements	27,287,877	-	-	-	(616,675)	26,671,202
Containers, pallets, plant and machinery	8,803,017	3,142,110	(46,600)	(1,020)	(2,708,280)	9,189,227
Renovation and electrical installations	595,985	215,851	(175)	-	(76,842)	734,819
Signboard, furniture and fittings, EDP equipment and office equipment	1,448,812	464,267	(717)	-	(381,046)	1,531,316
Motor vehicles, lorries and trucks	3,948,076	1,277,040	(87,605)	-	(987,657)	4,149,854
	42,083,767	5,099,268	(135,097)	(1,020)	(4,770,500)	42,276,418

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

	At Cost	Accumulated Depreciation	Net Book Value
	RM	RM	RM
The Group			
At 31.12.2011			
Warehouse buildings and improvements	34,370,690	(8,320,467)	26,050,223
Containers, pallets, plant and machinery	80,025,660	(70,965,694)	9,059,966
Renovation and electrical installations	3,484,499	(1,857,996)	1,626,503
Signboard, furniture and fittings, EDP equipment and office equipment	10,978,023	(6,120,734)	4,857,289
Motor vehicles, lorries and trucks	17,663,466	(13,391,446)	4,272,020
Capital work in progress	64,091	-	64,091
	146,586,429	(100,656,337)	45,930,092
At 31.12.2010			
Warehouse buildings and improvements	34,370,690	(7,699,488)	26,671,202
Containers, pallets, plant and machinery	107,706,344	(98,517,117)	9,189,227
Renovation and electrical installations	2,091,946	(1,357,127)	734,819
Signboard, furniture and fittings, EDP equipment and office equipment	8,948,090	(7,416,774)	1,531,316
Motor vehicles, lorries and trucks	16,711,535	(12,561,681)	4,149,854
	169,828,605	(127,552,187)	42,276,418

	At 1.1.2011	Additions	Written Off	Depreciation Charge	At 31.12.2011
	RM	RM	RM	RM	RM
The Company					
Net Book Value					
Containers, pallets, plant and machinery	371,980	81,742	(159,034)	(115,209)	179,479
Renovation and electrical installations	235,740	-	(43,991)	(33,105)	158,644
Signboard, furniture and fittings, EDP equipment and office equipment	327,428	30,588	(9,845)	(51,546)	296,625
Motor vehicles, lorries and trucks	412,955	138,685	-	(85,037)	466,603
	1,348,103	251,015	(212,870)	(284,897)	1,101,351

	At 1.1.2010	Additions	Disposals	Depreciation Charge	At 31.12.2010
	RM	RM	RM	RM	RM
The Company					
Net Book Value					
Containers, pallets, plant and machinery	515,150	15,300	(46,600)	(111,870)	371,980
Renovation and electrical installations	157,830	106,388	-	(28,478)	235,740
Signboard, furniture and fittings, EDP equipment and office equipment	374,808	12,640	-	(60,020)	327,428
Motor vehicles, lorries and trucks	607,447	-	(87,605)	(106,887)	412,955
	1,655,235	134,328	(134,205)	(307,255)	1,348,103

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

	At Cost	Accumulated Depreciation	Net Book Value
	RM	RM	RM
The Company			
At 31.12.2011			
Containers, pallets, plant and machinery	2,842,260	(2,662,781)	179,479
Renovation and electrical installations	296,338	(137,694)	158,644
Signboard, furniture and fittings, EDP equipment and office equipment	1,538,571	(1,241,946)	296,625
Motor vehicles, lorries and trucks	1,172,616	(706,013)	466,603
	5,849,785	(4,748,434)	1,101,351
At 31.12.2010			
Containers, pallets, plant and machinery	5,710,934	(5,338,954)	371,980
Renovation and electrical installations	1,540,456	(1,304,716)	235,740
Signboard, furniture and fittings, EDP equipment and office equipment	4,557,358	(4,229,930)	327,428
Motor vehicles, lorries and trucks	1,422,755	(1,009,800)	412,955
	13,231,503	(11,883,400)	1,348,103

Included in the net book value of property, plant and equipment of the Group and the Company at the end of the reporting period were the following assets acquired under hire purchase terms:

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Lorries and trucks	280,580	334,024	280,580	334,024
Motor vehicles	658,821	905,736	-	-
	939,401	1,239,760	280,580	334,024

The net book value of assets pledged to banks as security for banking facilities granted to the Group and the Company is as follows:

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Leasehold land, building and improvements	26,050,223	26,671,202	-	-

9. OTHER INVESTMENT

	The Group/The Company	
	2011	2010
	RM	RM
At cost:		
Unquoted shares	125,000	125,000
Allowance for impairment loss	(124,999)	(124,999)
	1	1

Investments in unquoted shares of the Group and of the Company, designated as available-for-sale financial assets, are stated at cost as their fair values cannot be reliably measured using valuation techniques due to the lack of marketability of the shares.

10. INTANGIBLE ASSETS

	The Group Computer Software	
	2011	2010
	RM	RM
Net Book Value		
At 1 January	929,220	1,101,600
Addition	2,040	231,540
Amortisation during the financial year	(333,540)	(403,920)
At 31 December	597,720	929,220
Cost	4,020,330	4,018,290
Accumulated amortisation	(3,422,610)	(3,089,070)
Net book value	597,720	929,220

The remaining amortisation period of the computer software at the end of the reporting period ranged from 1 to 5 years (2010 - 1 to 5 years).

11. GOODWILL

	The Group	
	2011	2010
	RM	RM
		(Restated)
At 1 January	163,698,180	163,698,180
Acquisition of joint ventures	14,702,553	-
At 31 December	178,400,733	163,698,180

During the financial year, the Group assessed the recoverable amount of the purchased goodwill, and determined that goodwill is not impaired.

The recoverable amount of a cash-generating unit is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a period of five years.

The key assumptions used for value-in-use calculations are as follows:

Gross margin	-	58% - 69%
Growth rate	-	Revenue is estimated to increase by 2% to 3% in year 2012, further increase of 2% to 3% per annum in year 2013 until 2016, based on management's expectation of customer demands.
Discount rate	-	6.17%

Management determined the budgeted gross margin based on past performance and its expectations of market development. The growth rate used is based on the past years achievement and the expected contracts to be secured. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

12. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts determined after appropriate offsetting, are shown in the statements of financial position:

The movements in deferred tax assets/(liabilities) during the financial year are as follows:

	The Group	
	2011	**2010**
	RM	**RM**
Deferred tax assets	143,310	22,950
Deferred tax liabilities	(2,125,170)	-
	(1,981,860)	22,950
At 1 January	22,950	7,348,590
Addition from acquisition of a joint venture	130,050	-
Recognised in profit or loss (Note 32)	(2,134,860)	(7,325,640)
At 31 December	(1,981,860)	22,950
Subject to Income Tax		
Deferred Tax Assets (Before Offsetting)		
Allowances	906,780	1,629,960
Tax losses	-	913,920
Provisions	119,340	-
	1,026,120	2,543,880
Offsetting	(882,810)	(2,520,930)
Deferred tax assets (after offsetting)	143,310	22,950
Deferred Tax Liabilities (Before Offsetting)		
Property, plant and equipment and intangible assets	(3,007,980)	(2,520,930)
Offsetting	882,810	2,520,930
Deferred tax liabilities (after offsetting)	(2,125,170)	-

13. INVENTORIES

	The Group	
	2011	**2010**
	RM	**RM**
Catering stores	2,570,400	2,392,920
Food and beverage	636,348	200,144
General stores	290,828	541,110
Maintenance stores	706,350	551,820
	4,203,926	3,685,994

14. TRADE RECEIVABLES

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Trade balances	34,039,800	33,208,103	3,877,831	4,418,699
Accrued compensation receivable from customer	4,335,000	6,950,790	-	-
	38,374,800	40,158,893	3,877,831	4,418,699
Allowance for impairment losses	(2,210,691)	(5,562,983)	(2,194,353)	(2,837,033)
	36,164,109	34,595,910	1,683,478	1,581,666
Allowance for impairment losses:				
At 1 January	(5,562,983)	(9,917,094)	(2,837,033)	(2,374,194)
Addition during the financial year	(102,367)	(1,899,399)	(91,639)	(463,749)
Write-off during the financial year	3,452,217	6,120,000	731,877	-
Write-back during the financial year	2,442	133,510	2,442	910
At 31 December	(2,210,691)	(5,562,983)	(2,194,353)	(2,837,033)

The normal trade credit terms granted by the Group and the Company range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Other receivables	3,165,151	3,438,616	1,615,930	1,680,328
Deposits	3,862,688	2,048,739	439,574	722,711
Prepayments	1,171,251	1,880,284	91,956	72,825
	8,199,090	7,367,639	2,147,460	2,475,864
Allowance for impairment losses	(1,783,920)	(1,783,920)	(1,679,794)	(1,679,794)
	6,415,170	5,583,719	467,666	796,070
Allowance for impairment losses:				
At 1 January/31 December	(1,783,920)	(1,783,920)	(1,679,794)	(1,679,794)

Included in the deposits of the Group and of the Company is an amount of RM346,804 (2010 - RM620,941) in respect of the rental deposit for the leaseback of the properties.

16. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2011	2010
	RM	RM
Non-trade balances	36,413,537	36,544,439
Allowance for impairment losses	(7,727,918)	(7,243,940)
	28,685,619	29,300,499
Allowance for impairment losses:		
At 1 January	(7,243,940)	(676,834)
Addition during the financial year	(483,978)	(6,567,106)
At 31 December	(7,727,918)	(7,243,940)

The non-trade amount is unsecured, interest-free and repayable on demand except for an amount of RM16,539,484 (2010 - RM17,140,622) which is subject to effective interest rate of 7.8% (2010 - 7.8% to 8.0%) per annum. The amount owing is to be settled in cash.

17. AMOUNT OWING BY JOINT VENTURES

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

18. FIXED DEPOSITS WITH LICENSED BANKS

The effective interest rates of the fixed deposits range from 1.75% to 3.75% (2010 - 1.25% to 2.75%) per annum. The fixed deposits have maturity periods ranging from 1 to 365 days (2010 - 1 to 365 days).

The fixed deposits of RM7,153,336 (2010 - RM200,000) have been pledged to licensed banks as security for banking facilities granted to the Company.

19. SHARE CAPITAL

	The Company			
	2011	2010	2011	2010
	Number of Shares		RM	RM
Ordinary Shares of RM1.00 Each:				
Authorised	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid up	179,005,000	179,005,000	179,005,000	179,005,000

20. RESERVES

	The Group 2011 RM	The Group 2010 RM (Restated)	The Company 2011 RM	The Company 2010 RM
Accumulated losses	(21,311,140)	(29,947,291)	(57,284,165)	(52,215,609)
Non-Distributable				
Share premium	12,384,295	12,384,295	12,384,295	12,384,295
	(8,926,845)	(17,562,996)	(44,899,870)	(39,831,314)

The share premium is not distributable by way of cash dividends and may be utilised in the manner as set out in Section 60(3) of the Companies Act 1965.

21. LONG-TERM BORROWINGS

	The Group 2011 RM	The Group 2010 RM	The Company 2011 RM	The Company 2010 RM
Term loans (Note 22)	22,770,953	23,754,997	16,635,143	5,343,487
Hire purchase payables (Note 23)	412,080	670,779	-	11,859
	23,183,033	24,425,776	16,635,143	5,355,346

22. TERM LOANS

	The Group 2011 RM	The Group 2010 RM	The Company 2011 RM	The Company 2010 RM
Current Portion:				
- repayable within one year (Note 26)	23,515,887	13,828,787	8,788,049	1,209,972
Non-current Portion:				
- repayable between one to two years	13,464,902	19,720,855	7,329,092	1,309,345
- repayable between two to five years	8,435,167	2,391,331	8,435,167	2,391,331
- repayable after five years	870,884	1,642,811	870,884	1,642,811
Total non-current portion (Note 21)	22,770,953	23,754,997	16,635,143	5,343,487
	46,286,840	37,583,784	25,423,192	6,553,459

Details of the term loans outstanding at the end of the reporting period are as follows:

	The Group 2011 RM	The Group 2010 RM	The Company 2011 RM	The Company 2010 RM
Term Loan				
I	3,593,699	3,998,857	3,593,699	3,998,857
II	1,574,671	2,554,602	1,574,671	2,554,602
III	2,487,838	378,815	-	-
IV	18,375,810	30,651,510	-	-
V	20,254,822	-	20,254,822	-
	46,286,840	37,583,784	25,423,192	6,553,459

22. TERM LOANS (CONT'D)

The weighted average effective interest rates at the end of the reporting period for borrowings which bore interest at fixed rates, were as follows:

	The Group		The Company	
	2011	2010	2011	2010
	%	%	%	%
Term loans	7.15	7.54	6.93	8.15

(a) Term loans I and II are secured by:

(i) a third party deed of assignment over a subsidiary's sub-lease on 15 acres of land and warehouse buildings; and

(ii) a pledge of the fixed deposits with licensed banks.

(b) Term loan III is secured by:

(i) a letter of support from the Company; and

(ii) a fixed charge on the financed equipment.

(c) Term loan IV is secured by:

(i) a debenture creating a first fixed and floating charge over all the present and future assets, rights and benefits of the joint venture's subsidiary;

(ii) a legal assignment of all proceeds recoverable by the joint venture's subsidiary from/under the catering agreement with a shareholder of the joint venture's subsidiary dated 25 September 2003;

(iii) a charge/legal assignment over the designated accounts in reference to Note (ii) above; and

(iv) a legal assignment of all rights, benefits, proceeds from/under all insurance policies over the joint venture's subsidiary's assets.

(d) Term loan V is secured by:

(i) 510,000 ordinary shares of RM1.00 each representing 51% equity interest of Brahim's LSG Sky Chefs Holdings Sdn. Bhd;

(ii) 127,500 ordinary shares of RM1.00 each representing 51% equity interest of Dewina Host Sdn. Bhd; and

(iii) a pledge of the fixed deposits with a licensed bank.

23. HIRE PURCHASE PAYABLES

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Future minimum hire purchase payments:				
- not later than one year	420,768	554,844	35,208	169,284
- later than one year and not later than five years	640,560	1,061,838	-	35,208
	1,061,328	1,616,682	35,208	204,492
Future finance charges	(375,016)	(542,229)	(7,816)	(35,799)
Present value of hire purchase payables	686,312	1,074,453	27,392	168,693
Current:				
- not later than one year (Note 26)	274,232	403,674	27,392	156,834
Non-current:				
- later than one year and not later than five years (Note 21)	412,080	670,779	-	11,859
	686,312	1,074,453	27,392	168,693

The hire purchase payables bore effective interest rates ranging from 6.30% to 8.08% (2010 - 6.30% to 8.06%) per annum at the end of the reporting period.

24. TRADE PAYABLES

The normal trade credit terms granted to the Group and the Company range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

The currency exposure profile of trade payables is as follows:

	The Group	
	2011	2010
	RM	RM
Euro	-	139,740
Others	9,180	87,210

25. OTHER PAYABLES AND ACCRUALS

Included in other payables and accruals of the Group and of the Company are the amounts owing to the holding company and directors amounting to RM18,418,010 (2010 - RM6,995,635) and RM3,331,059 (2010 RM2,476,133), respectively.

The amount owing to the holding company of RM6,662,326 (2010 - RM5,777,312) is subject to an effective interest rate of 8% (2010 - 8%) per annum.

26. SHORT-TERM BORROWINGS

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Term loans (Note 22)	23,515,887	13,828,787	8,788,049	1,209,972
Hire purchase payables (Note 23)	274,232	403,674	27,392	156,834
Revolving credit	2,550,000	2,550,000	-	-
Shareholders' advances	12,240,000	15,555,000	-	-
	38,580,119	32,337,461	8,815,441	1,366,806

The advances from shareholders of the joint venture are unsecured.

The weighted average effective interest rates at the end of the reporting period for borrowings which bore interest at fixed rates, were as follows:

	The Group		The Company	
	2011	2010	2011	2010
	%	%	%	%
Term loans	7.15	7.54	6.93	8.15

The revolving credit bears a weighted average effective interest rate of 6.50% (2010 - 6.50%) and is secured in the same manner as the term loan IV disclosed in Note 22(c) to the financial statements.

27. BANK OVERDRAFTS

The bank overdrafts bear interest ranging from 8.10% to 9.10% (2010 - 7.8% to 8.80%) per annum and are secured in the same manner as term loan I and II disclosed in Note 22(a) to the financial statements.

28. NET ASSETS PER ORDINARY SHARE

The net assets per ordinary share is calculated based on the net assets value of RM170,078,155 (2010 - RM161,442,004) attributable to the number of ordinary shares in issue at the end of the reporting period of 179,005,000 (2010 -179,005,000).

29. REVENUE

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
In-flight catering and related services	171,396,720	160,223,640	-	-
Logistics and related services	4,154,549	4,399,943	4,141,015	4,397,456
Restaurant services	8,910,480	1,187,354	-	-
	184,461,749	165,810,937	4,141,015	4,397,456

30. DIRECT OPERATING EXPENSES

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
In-flight catering and related services	75,096,990	68,097,240	-	-
Logistics and related services	2,895,132	5,514,090	3,053,658	5,514,044
Restaurant services	4,363,131	398,153	-	-
	82,355,253	74,009,483	3,053,658	5,514,044

31. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Profit/(Loss) before taxation is arrived at after charging/(crediting):				
Allowance for impairment losses on receivables	99,289	1,899,399	575,617	7,030,855
Amortisation of intangible assets	333,540	403,920	-	-
Audit fee:				
- current year	152,482	105,880	60,000	36,000
- underprovision in the previous financial year	22,394	14,300	20,000	14,700
Bad debt written off	38,012	-	38,012	-
Depreciation of property, plant and equipment	6,124,725	4,770,500	284,897	307,255
Directors' fees	220,000	120,000	220,000	120,000
Directors' non-fee emoluments	1,049,020	945,420	1,049,020	945,420
Financing charges	309,928	7,190	309,928	7,190
Franchise royalty fee	676,269	-	-	-
Hire of equipment	50,373	113,942	42,173	106,142
Hire of trucks and lorries	3,750	16,112	3,750	16,112
Interest expense	4,478,420	4,985,268	2,153,384	1,612,144
Lease land rental	75,576	71,984	-	-
Property, plant and equipment written off	224,090	1,020	212,870	-
Realised (gain)/loss on foreign exchange	(21,783)	66,958	46	117
Rental of buildings	4,412,107	1,339,010	1,069,200	2,050,870
Staff costs:				
- salaries, wages, bonuses and allowances	30,758,569	27,882,539	1,313,834	1,512,574
- defined contribution plans	2,966,139	2,685,724	155,730	188,318
- other benefits	5,289,771	5,644,400	307,209	472,513
Unrealised loss on foreign exchange	168,463	-	-	-
Vehicle rental	29,580	42,330	-	-
Net gain on disposal of property, plant and equipment	(224,764)	(126,430)	(91,000)	(127,095)
Interest income	(310,840)	(645,730)	(1,363,249)	(1,684,213)
Rental income	(30,260)	(58,440)	(15,240)	(19,500)
Write-back of allowance for impairment losses on receivables	(2,442)	(133,510)	(2,442)	(910)

32. INCOME TAX EXPENSE

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Current tax:				
- for the financial year	5,845,891	69,360	-	-
- overprovision in the previous financial year	(117,600)	-	-	-
	5,728,291	69,360	-	-
Deferred tax (Note 12):				
- for the current financial year	2,118,540	7,473,540	-	-
- under/(over) provision in the previous financial year	16,320	(147,900)	-	-
	2,134,860	7,325,640	-	-
	7,863,151	7,395,000	-	-

A reconciliation of the income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the Group and of the Company is as follows:

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Profit/(Loss) before taxation	22,813,612	19,638,790	(5,068,556)	(11,118,410)
Tax at statutory tax rate of 25%	5,703,403	4,909,698	(1,267,139)	(2,779,603)
Tax effects of:				
Non-taxable gain	(256,980)	(1,673,371)	(130,248)	-
Non-deductible expenses	1,601,435	3,084,707	965,010	1,948,751
Deferred tax assets not recognised during the financial year	916,573	1,221,866	432,377	830,852
Overprovision of taxation in the previous financial year:				
- current tax	(117,600)	-	-	-
- deferred tax	16,320	(147,900)	-	-
Income tax expense for the financial year	7,863,151	7,395,000	-	-

Subject to agreement with the tax authorities, the unutilised tax losses and unabsorbed capital allowances of the Group and the Company available at the end of the reporting period to be carried forward for offset against future taxable business income is as follows:

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Unutilised tax losses	17,049,000	14,513,000	10,700,000	9,448,000
Unabsorbed capital allowances	10,640,000	9,551,000	5,089,000	4,652,000
Accelerated capital allowances over depreciation	41,000	-	41,000	-

33. EARNINGS PER SHARE

The basic earnings per ordinary share of the Group is calculated by dividing the Group's profit attributable to the equity holders of the Company of RM8,636,151 by the number of ordinary shares in issue during the financial year of 179,005,000.

The basic earnings per ordinary share of the Group in the previous financial year was calculated by dividing the Group's profit for the financial year of RM6,552,190 by the number of ordinary shares in issue during the financial year of 179,005,000.

The diluted earnings per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

34. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Fixed deposits with licensed banks (Note 18)	17,111,440	4,756,549	6,726,549	268,549
Cash and bank balances	12,005,741	14,892,633	100,459	109,224
Bank overdrafts	(6,297,630)	(6,229,264)	(6,297,630)	(6,229,264)
	22,819,551	13,419,918	529,378	(5,851,491)

35. ACQUISITION OF JOINT VENTURE

During the financial year, the Group acquired a 51% equity interest in Dewina Host Sdn. Bhd.

The details of the Group's share of net assets acquired and cash flow arising from the acquisition of the joint venture are as follows:

	At Date of Acquisition
	2011
	RM
Property, plant and equipment	541,358
Deferred tax assets	130,050
Inventories	274,001
Trade receivables	80,670
Other receivables, deposits and prepayments	80,955
Fixed deposits with licensed banks	3,943,026
Cash and bank balances	2,322,046
Trade payables	(668,982)
Other payables and accruals	(1,236,979)
Provision for taxation	(168,698)
Net identifiable assets and liabilities	5,297,447
Add: Goodwill on consolidation	14,702,553
Total purchase consideration	20,000,000
Less: Cash and cash equivalents of joint venture acquired	(6,265,072)
Net cash outflow for acquisition of joint venture	13,734,928

35. ACQUISITION OF JOINT VENTURE (CONT'D)

The acquired joint venture contributed the following results to the Group:

	2011
	RM
Revenue	6,606,461
Profit after taxation	917,783

36. DIRECTORS' REMUNERATION

The aggregate amount of emoluments received and receivable by the directors of the Group and of the Company during the financial year are as follows:

	The Group/The Company	
	2011	2010
	RM	RM
Executive directors:		
- Salaries and other emoluments	1,026,520	933,920
- Fees	70,000	45,000
	1,096,520	978,920
Non-executive directors:		
- Salaries and other emoluments	22,500	11,500
- Fees	150,000	75,000
	172,500	86,500
	1,269,020	1,065,420

The number of directors of the Company whose total remuneration received from the Group during the financial year fell within the following bands is analysed below:

	The Group/The Company	
	2011	2010
Executive directors:		
- RM250,001 - RM300,000	-	1
- RM350,001 - RM400,000	1	-
- RM650,001 - RM700,000	1	1
Non-executive directors:		
- Below RM50,000	5	5
	7	7

37. SIGNIFICANT RELATED COMPANY TRANSACTIONS

	The Company	
	2011	2010
	RM	RM
Storage and handling fee received/receivables from a subsidiary	975,673	904,207
Interest income received/receivable from subsidiaries	1,354,639	1,314,393
Management fee received/receivable from subsidiaries	180,000	180,000
Management fee received from joint venture	117,555	-
Rental income received/receivable from a subsidiary	9,000	9,000
Rental paid/payable to a subsidiary	1,041,600	1,041,600
Insurance paid/payable to a subsidiary	12,252	31,125
Commission paid/payable to a subsidiary	19,513	18,084

38. RELATED PARTY DISCLOSURES

The Group has related party relationships with:

(a) its subsidiaries and joint ventures, as disclosed in Notes 6 and 7 to the financial statements;

(b) the directors who are the key management personnel; and

(c) close members of the families of certain directors.

The details of the amount owing by the subsidiaries and joint venture, amount owing to the holding company and the directors, the key management personnel compensation, and related company transactions are disclosed in Note 16, Note 17, Note 25, Note 36 and Note 37, respectively.

39. OPERATING SEGMENTS

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business unit offer different products and services, and are managed separately. The following summary describes the operations in each of the Group's reportable segments:

(i) Warehouse rental, freight forwarding and transportation services, trading and insurance agency - providing bonded warehousing, freight forwarding and transportation services and insurance agency.

(ii) Food and beverage - restaurant of cafes and food.

(iii) Catering services - catering related services.

	Warehouse Rental, Freight Forwarding and Transportation Services and Trading and Insurance Agency	Food and Beverage	Catering Services	Eliminations	Consolidated
	RM	RM	RM	RM	RM
2011					
Revenue					
External sales	4,154,549	8,910,480	171,396,720	-	184,461,749
Intersegment revenue	2,049,039	1,587	-	(2,050,626)	-
Total revenue	6,203,588	8,912,067	171,396,720	(2,050,626)	184,461,749
Results					
Segment results	(4,073,556)	933,689	30,758,100		27,618,233
Finance costs					(4,804,621)
Profit before taxation					22,813,612
Income tax expense					(7,863,151)
Profit after taxation					14,950,461
Other Information					
Segment assets	179,172,626	11,814,972	109,868,790		300,856,388
Other investments					1
Tax recoverable					-
Unallocated assets					143,310
Consolidated total assets					300,999,699
Segment liabilities	33,354,165	2,603,858	23,775,690		59,733,713
Unallocated corporate liabilities					63,548,031
					123,281,744
Capital expenditure	251,015	1,776,142	7,353,690		9,380,847
Depreciation of property, plant and equipment	905,876	503,899	4,714,950		6,124,725
Allowance for impairment losses	91,639	-	7,650		99,289

39. OPERATING SEGMENTS (CONT'D)

	Warehouse Rental, Freight Forwarding and Transportation Services and Trading and Insurance Agency	Food and Beverage	Catering Services	Eliminations	Consolidated
	RM	RM	RM	RM	RM
2010					
Revenue					
External sales	4,399,943	1,187,354	160,223,640	-	165,810,937
Intersegment revenue	1,955,016	-	-	(1,955,016)	-
Total revenue	6,354,959	1,187,354	160,223,640	(1,955,016)	165,810,937
Results					
Segment results	(4,608,158)	(351,510)	29,592,750		24,633,082
Finance costs					(4,994,292)
Profit before taxation					19,638,790
Income tax expense					(7,395,000)
Profit after taxation					12,243,790
Other Information					
Segment assets	159,107,738	1,545,625	109,765,260		270,418,623
Other investments					1
Tax recoverable					19,380
Unallocated assets					22,950
Consolidated total assets					270,460,954
Segment liabilities	12,456,593	109,266	30,607,650		43,173,509
Unallocated corporate liabilities					62,992,501
					106,166,010
Capital expenditure	134,328	306,600	4,658,340		5,099,268
Depreciation of property, plant and equipment	923,930	113,880	3,732,690		4,770,500
Allowance for impairment losses	463,749	-	1,435,650		1,899,399

No segmental information is provided on a geographical basis as the Group's activities are predominantly in Malaysia.

Revenue from one major customer, with revenue equal to or more than 10% of Group revenue, amounting to RM127,841,700 (2010 - RM125,155,530) arose from sales of the catering services segment.

40. CAPITAL COMMITMENTS

	The Group	
	2011	2010
	RM	RM
Approved but not contracted for:		
Purchase of plant and equipment	604,272	-

41. LEASE COMMITMENTS

	The Group	
	2011	**2010**
	RM	**RM**
Lease rentals payable:		
Within one year	75,576	75,576
Within two to five years	312,788	308,976
Within six to ten years	595,163	674,551
	983,527	1,059,103

The lease rental payable of a subsidiary is in respect of the lease agreement entered between the subsidiary, Tamadam Industries Sendirian Berhad with KTM Warehouse Management Sdn. Bhd. for a piece of land for a period of 30 years with an option to renew for a further period of 30 years.

42. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:

(i) Market Risk

(i) Foreign Currency Risk

The Group does not have material foreign currency transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

Foreign currency risk sensitivity analysis

A 5% strengthening/weakening of the RM against the Euro as at the end of the reporting period would have immaterial impact on profit after taxation. This assumes that all other variables remain constant.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 42(a)(iii) to the financial statements.

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:

	The Group		The Company	
	2011	2010	2011	2010
	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
	RM	RM	RM	RM
Effects on Profit After Taxation				
Increase of 1%	525,845	153,327	317,208	127,827
Decrease of 1%	(525,845)	(153,327)	(317,208)	(127,827)
Effects on Equity				
Increase of 1%	525,845	153,327	317,208	127,827
Decrease of 1%	(525,845)	(153,327)	(317,208)	(127,827)

(iii) Equity Price Risk

The Company does not have any quoted investments and hence is not exposed to equity price risk.

(ii) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amount owing by a major customer which constituted approximately 48% of its trade receivables as at the end of the reporting period.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Exposure to credit risk (Cont'd)

The exposure of credit risk for trade receivables by geographical region is as follows:

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Malaysia	36,164,109	34,595,910	1,683,478	1,581,666

Ageing analysis

The ageing analysis of the Group's trade receivables as at 31 December 2011 is as follows:

	Gross Amount	Individual Impairment	Carrying Value
	RM	RM	RM
The Group			
2011			
Not past due	20,173,821	-	20,173,821
Past due:			
- less than 3 months	594,097	-	594,097
- 3 to 6 months	7,155,045	-	7,155,045
- over 6 months	10,451,837	(2,210,691)	8,241,146
	38,374,800	(2,210,691)	36,164,109
2010			
Not past due	24,572,392	(54,060)	24,518,332
Past due:			
- less than 3 months	3,122,705	(21,930)	3,100,775
- 3 to 6 months	1,393,432	(18,870)	1,374,562
- over 6 months	11,070,364	(5,468,123)	5,602,241
	40,158,893	(5,562,983)	34,595,910
The Company			
2011			
Not past due	318,083	-	318,083
Past due:			
- less than 3 months	547,816	-	547,816
- 3 to 6 months	156,893	-	156,893
- over 6 months	2,855,039	(2,194,353)	660,686
	3,877,831	(2,194,353)	1,683,478
2010			
Not past due	584,589	-	584,589
Past due:			
- less than 3 months	291,512	-	291,512
- 3 to 6 months	213,875	-	213,875
- over 6 months	3,328,723	(2,837,033)	491,690
	4,418,699	(2,837,033)	1,581,666

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Ageing analysis (Cont'd)

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 90 days, which are deemed to have higher credit risk, are monitored individually.

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

	Weighted Average Effective Rate	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year	1 - 5 Years	Over 5 Years
	%	RM	RM	RM	RM	RM
The Group						
2011						
Hire purchase payables	6.30 - 8.08	686,312	1,061,328	420,768	640,560	-
Term loans	7.15	46,286,840	49,408,477	25,030,659	23,446,582	931,236
Revolving credit	6.50	2,550,000	2,550,000	2,550,000	-	-
Shareholders' advances	-	12,240,000	12,240,000	12,240,000	-	-
Bank overdrafts	8.10 - 9.10	6,297,630	6,297,630	6,297,630	-	-
Trade payables	-	16,051,782	16,051,782	16,051,782	-	-
Other payables and accruals	-	35,370,668	35,370,668	35,370,668	-	-
		119,483,232	122,979,885	97,961,507	24,087,142	931,236
2010						
Hire purchase payables	6.49	1,074,453	1,616,682	554,844	1,061,838	-
Term loans	7.54	37,583,784	74,592,368	29,983,366	42,997,188	1,611,814
Revolving credit	6.50	2,550,000	2,550,000	2,550,000	-	-
Shareholders' advances	-	15,555,000	15,555,000	15,555,000	-	-
Bank overdrafts	8.15	6,229,264	6,229,264	6,229,264	-	-
Trade payables	-	18,979,906	18,979,906	18,979,906	-	-
Other payables and accruals	-	24,193,603	24,193,603	24,193,603	-	-
		106,166,010	143,716,823	98,045,983	44,059,026	1,611,814

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

	Weighted Average Effective Rate	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year	1 - 5 Years	Over 5 Years
	%	RM	RM	RM	RM	RM
The Company						
2011						
Hire purchase payables	7.52	27,392	35,208	35,208	-	-
Term loans	8.15	25,423,192	27,185,019	9,397,061	16,856,722	931,236
Trade payables	-	990,414	990,414	990,414	-	-
Other payables and accruals	-	23,734,472	23,734,472	23,734,472	-	-
Bank overdrafts	8.15	6,297,630	6,297,630	6,297,630	-	-
		56,473,100	58,242,743	40,454,785	16,856,722	931,236
2010						
Hire purchase payables	7.52	168,693	204,492	169,284	35,208	-
Term loans	8.15	6,553,459	8,143,361	1,868,705	4,662,842	1,611,814
Trade payables	-	854,403	854,403	854,403	-	-
Other payables and accruals	-	11,010,613	11,010,613	11,010,613	-	-
Bank overdrafts	8.15	6,229,264	6,229,264	6,229,264	-	-
		24,816,432	26,442,133	20,132,269	4,698,050	1,611,814

42. FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management

The Group manages its capital to ensure that entities within the Group 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 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 manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:

	The Group	
	2011	2010
	RM	RM
		(Restated)
Hire purchase payables	686,312	1,074,453
Revolving credits	2,550,000	2,550,000
Term loans	46,286,840	37,583,784
Trade payables	16,051,782	18,979,906
Other payables and accruals	35,370,668	24,193,603
Shareholders' advances	12,240,000	15,555,000
Bank overdrafts	6,297,630	6,229,264
	119,483,232	106,166,010
Less: Fixed deposits with licensed banks	(17,111,440)	(4,756,549)
Less: Cash and bank balances	(12,005,741)	(14,892,633)
Net debt	90,366,051	86,516,828
Total equity	170,078,155	161,442,004
Debt-to-equity ratio	0.53 : 1	0.54 : 1

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

42. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification of Financial Instruments

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Financial Assets				
Loans and Receivables Financial Assets				
Trade receivables	36,164,109	34,595,910	1,683,478	1,581,666
Other receivables and deposits	5,243,919	3,680,995	375,710	723,245
Amount owing by subsidiaries	-	-	28,685,619	29,300,499
Fixed deposits with licensed banks	17,111,440	4,756,549	6,726,549	286,549
Cash and bank balances	12,005,741	14,892,633	100,549	109,224
	70,525,209	57,926,087	37,571,905	32,001,183
Available-for-sale Financial Assets				
Other investment	1	1	1	1
	70,525,210	57,926,088	37,571,906	32,001,184
Financial Liabilities				
Other Financial Liabilities				
Shareholders' advances	12,240,000	15,555,000	-	-
Hire purchase payables	686,312	1,074,453	27,392	168,693
Revolving credits	2,550,000	2,550,000	-	-
Term loans	46,286,840	37,583,784	25,423,192	6,553,459
Trade payables	16,051,782	18,979,906	990,414	854,403
Other payables and accruals	35,370,668	24,193,603	23,734,472	11,010,613
Bank overdrafts	6,297,630	6,229,264	6,297,630	6,229,264
	119,483,232	106,166,010	56,473,100	24,816,432

(d) Fair Values of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values except for the following:

	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM	RM	RM	RM
The Group				
Hire purchase payables	686,312	630,212	1,074,453	971,907
Term loans	46,286,840	45,470,840	37,583,784	34,732,519
	46,973,152	46,101,052	38,658,237	35,704,426
The Company				
Hire purchase payables	27,392	27,392	168,693	167,637

42. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values of Financial Instruments (Cont'd)

The following summarises the methods used to determine the fair values of the financial instruments:

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(ii) The fair value of hire purchase payables is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

(iii) The carrying amounts of the term loans approximated their fair values as these instruments bear interest at variable rates.

(e) Fair Value Hierarchy

As at 31 December 2011, there were no financial instruments carried at fair values.

43. PRIOR YEAR ADJUSTMENT

During the financial year ended 31 December 2011, the joint venture made a prior year adjustment in relation to the allocation of goodwill and non-controlling interests at the date when the subsidiary was acquired by the joint venture. This has resulted in an increase in retained earnings as at 31 December 2009 2010 and 2011 of RM2,167,500.

The following comparative figures have been reclassified to conform to the presentation of the current financial year:

	As Restated	As Previously Reported
	RM	RM
Statement of financial position (Extract):		
Goodwill	163,698,180	177,442,170
Reserves	(17,562,996)	(19,730,496)
Non-controlling interest	2,852,940	18,764,430

There is no effect on the financial statements of the Group for the financial year ended 31 December 2011.

44. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 21 July 2011, Brahim's Holdings Berhad (formerly known as Tamadam Bonded Warehouse Berhad) acquired a 51% equity interest in Dewina Host Sdn. Bhd. from Dewina Holdings Sdn. Bhd. for a cash consideration of RM20 million. Consequently, Dewina Host Sdn. Bhd. became a part of Brahim's Group in the form of a Joint Venture with Host International Inc.

45. SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The details of the significant events occurring after the end of the reporting period are as follows:

(i) On 10 February 2012, the Group entered into the inter-conditional agreement with Niche Property Management Sdn. Bhd. ("the purchaser") for the sale of the entire issued and paid up share capital in Tamadam Industries Sdn. Bhd., a wholly owned subsidiary of the Company and to sell off the logistics and warehousing business for a consideration of RM18 million.

45. SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD (CONT'D)

(ii) On 18 January 2012, the Group received an invitation for an equity participation of 60% equity in Admuda Sdn. Bhd. for a consideration of RM20million. Thereafter, the Group had on 7 February 2012, entered into a Memorandum of Understanding on supply and off-take agreement with Thai Roung Ruang Sugar Group, Thailand for the supply of raw sugar and off-take of refined sugar. On 14 February 2012, the Board announced a proposed acquisition of a 60% equity interest in Admuda Sdn. Bhd. for a purchase consideration of RM20million to be satisfied via a combination of cash of RM2.1million and the issuance of 17,900,000 new ordinary shares of RM1.00 each in Brahim's Holdings Berhad.

(iii) The Company had on 24 February 2012 announced to undertake a Proposed Private Placement of up to 17,900,500 new ordinary shares of RM1.00 each in Brahim's Holdings Berhad representing up to 10% of the issued and paid up share capital of the Company. On 1 March 2012, the additional listing application (ALA) for the Proposed Private Placement was submitted to Bursa Malaysia for approval which was subsequently completed on 22 March 2012 with the listing of 17,900,000 new Brahim's Holdings shares on the Main Market of Bursa Malaysia Securities Berhad.

46. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED LOSSES/PROFIT

The breakdown of the accumulated losses of the Group and of the Company as at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Total accumulated losses:				
- realised	(20,178,700)	(37,841,592)	(57,284,165)	(52,215,609)
- unrealised	(2,150,323)	22,950	-	-
	(22,329,023)	(37,818,642)	(57,284,165)	(52,215,609)
Less: Consolidation adjustments	1,017,883	7,871,351	-	-
At 31 December	(21,311,140)	(29,947,291)	(57,284,165)	(52,215,609)

List of Properties

Address	Tenure	Size	Description and Existing Use	Net Book Value (RM)	Owner/Date of Acquisition	Approximate Age of Buildings
Part of Lot 14473 Mukim of Klang, District of Klang, Selangor Darul Ehsan.	Leasehold - expiring 10 December 2027 with an option to renew for 30 years	15.134 acres	Land with warehouse	26,050,223	Tamadam Industries Sdn. Bhd./1 November 1991	12 years

Analysis of Shareholdings

As at 22 March 2012

Authorised Share Capital	:	RM500,000,000
Issued and Paid-Up Share Capital	:	RM196,905,000 comprising of 196,905,000 ordinary shares of RM1.00 each
Class of Shares	:	Ordinary shares of RM1.00 each
Voting Rights	:	Every member of the Company, present in person or by proxy or by attorney or other duly authorised representatives, shall have on a show of hands, one (1) vote or on a poll, one (1) vote for each ordinary share held
Number of Shareholders	:	2,731

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
1 - 99	127	4.65	5,236	0.00
100 – 1,000	728	26.66	677,478	0.34
1,001 – 10,000	1,392	50.97	6,348,986	3.22
10,001 – 100,000	384	14.06	13,016,400	6.61
100,001 to 9,845,249	96	3.52	58,630,900	29.78
9,845,250 and above	4	0.15	118,226,000	60.04
TOTAL	**2,731**	**100.0**	**196,905,000**	**100.00**

DIRECTORS' SHAREHOLDINGS ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS

		Direct		Indirect	
No.	Directors	No. of Shares Held	%	No. of Shares Held	%
1.	Datuk Ibrahim Bin Haji Ahmad	-	-	115,605,000[2]	58.71
2.	Cheam Heng Cheang	14,121,000	7.17	450,000[3]	0.22
3.	Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	-	-	90,605,000[4]	46.01
4.	Col (Rtd) Dato' Ir Cheng Wah	22,500	0.01	-	-
5.	Goh Joon Hai	-	-	-	-
6.	Mohamed Zamry Bin Mohamed Hashim	-	-	-	-
7.	Dato' Choo Kah Hoe	-	-	25,000,000[5]	12.70

LIST OF SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

		Direct		Indirect	
No.	Substantial Shareholders	No. of Shares Held	%	No. of Shares Held	%
1.	Brahim's International Franchises Sdn Bhd	90,605,000	46.01	-	-
2.	Fahim Capital Sdn Bhd	-	-	90,605,000[1]	46.01
3.	Semantan Capital Sdn Bhd	-	-	90,605,000[1]	46.01
4.	Datuk Ibrahim Bin Haji Ahmad	-	-	115,605,000[2]	58.71
5.	Cheam Heng Cheang	14,121,000	7.17	450,000[3]	0.22
6.	Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	-	-	90,605,000[4]	46.01
7.	IBH Capital (Labuan) Limited	25,000,000	12.70	-	-
8.	Dato' Choo Kah Hoe	-	-	25,000,000[5]	12.70

Notes:
1. Deemed interested in shares by virtue of their shareholdings in Brahim's International Franchises Sdn Bhd.
2. Deemed interested in shares by virtue of his shareholdings in IBH Capital (Labuan) Limited and Fahim Capital Sdn Bhd (a shareholder of Brahim's International Franchises Sdn Bhd) pursuant to Section 6A of the Companies Act, 1965.
3. Deemed interested in shares by virtue of his shareholdings in Inveshold Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
4. Deemed interested in shares by virtue of his shareholdings in Semantan Capital Sdn Bhd which is a shareholder of Brahim's International Franchises Sdn Bhd pursuant to Section 6A of the Companies Act, 1965
5. Deemed interested in shares by virtue of his shareholdings in IBH Capital (Labuan) Limited pursuant to Section 6A of the Companies Act, 1965.

As at 22 March 2012

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

	Name	No. of Shares Held	Percentage %
1.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Brahim's International Franchises Sdn Bhd	45,000,000	22.85
2.	Brahim's International Franchises Sdn Bhd	34,105,000	17.32
3.	IBH Capital (Labuan) Limited	25,000,000	12.70
4.	Cheam Heng Cheang	14,121,000	7.17
5.	Brahim's International Franchises Sdn Bhd	9,000,000	4.57
6.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad	5,392,000	2.74
7.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	4,000,000	2.03
8.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt AN for Hwang Investment Management Berhad	2,570,000	1.31
9.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Brahim's International Franchises Sdn Bhd	2,500,000	1.27
10.	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad for Saham Amanah Sabah	2,000,000	1.02
11.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Hwang Investment Management Berhad for Multi-Purpose Insurans Berhad	1,800,000	0.91
12.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chia Yee Kheong	1,587,000	0.81
13.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad	1,528,400	0.78
14.	ECML Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yew San Ho	1,350,000	0.69
15.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Hwang Select Balanced Fund	1,235,400	0.63
16.	HLG Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Liau Yueh Hwa @ Liaw Yueh Hwa	1,150,000	0.58
17.	Liew Man Kwong	1,115,700	0.57
18.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Jethanand Utumal Valiram	900,000	0.46
19.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank NA, Singapore (Julius Baer)	850,000	0.43
20.	Lim Gaik Bway @ Lim Chiew Ah	815,400	0.41
21.	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for Credit Agricole (Suisse) SA	800,000	0.41
22.	Koay Keng Huat	776,500	0.39
23.	Sharifah Bahiyah Binti Wan Omar	743,000	0.38
24.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Doris Tan Lian Fah	650,000	0.33
25.	Ong Chong Tek	648,100	0.33
26.	Koay Keng Ling	605,200	0.31
27.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad	569,000	0.29
28.	Inveshold Sdn Bhd	560,000	0.28
29.	Othman Bin Mohd Noor	536,100	0.27
30.	Koay Keng Teik @ Koay Chia Wah	508,000	0.26
	Total	**162,415,800**	**82.48**

Notice of Thirtieth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 30th Annual General Meeting of BRAHIM'S HOLDINGS BERHAD (formerly known as TAMADAM BONDED WAREHOUSE BERHAD) (the "Company") will be held at Tawau Room, Auditorium & Convention Centre @ The Podium, Ground Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur on Tuesday, 15 May 2012 at 10.00 a.m. for the following purposes:

1.	To lay before the Company the Audited Financial Statements of the Company for the financial year ended 31 December 2011 together with the Reports of the Directors and Auditors thereon.	Please refer to Note A
2.	To approve the payment of additional Directors' Fees for the financial year ended 31 December 2011.	Ordinary Resolution 1 Please refer to Note B
3.	To re-elect the following Directors, who are retiring in accordance with Article 98 of the Articles of Association of the Company: (i) Datuk Ibrahim Bin Haji Ahmad; and (ii) Dato' Choo Kah Hoe	 Ordinary Resolution 2 Ordinary Resolution 3
4.	To re-appoint Messrs Crowe Horwath as Auditors and to authorise the Directors to fix their remuneration.	Ordinary Resolution 4
	Special Business To consider and, if thought fit, to pass the following resolutions with or without any modification:	
5.	**AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** "THAT pursuant to Section 132D of the Companies Act, 1965 ("the Act"), the Directors be and are hereby empowered to allot and issue shares in the share capital of the Company at any time until the conclusion of the next Annual General Meeting ("AGM") and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company at the time of issue, subject to the Articles of Association of the Company and approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and other relevant bodies where such approval is necessary."	Ordinary Resolution 5
6.	**PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")** "THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given to the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.2 of the Circular to Shareholders dated 19 April 2012, provided that such transactions are undertaken in the ordinary course of business, on arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders; THAT such approval shall continue to be in force until: (a) the conclusion of the next Annual General Meeting of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next Annual General Meeting; (b) the expiration of the period within which the next Annual General Meeting is to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or (c) revoked or varied by resolution passed by shareholders in a general meeting before the next Annual General Meeting, whichever is the earlier. AND FURTHER THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things necessary (including such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."	Ordinary Resolution 6
7.	**RE-APPOINTMENT OF DIRECTORS PURSUANT TO SECTION 129(6) OF THE COMPANIES ACT, 1965** (i) "That pursuant to Section 129(6) of the Companies Act, 1965, Col (Rtd) Dato' Ir Cheng Wah be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next Annual General Meeting." (ii) "That pursuant to Section 129(6) of the Companies Act, 1965, Goh Joon Hai be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next Annual General Meeting."	Special Resolution 1 Special Resolution 2

8. **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

"THAT the following Existing Articles in the Articles of Association of the Company be deleted in its entirety and the following be substituted in lieu thereof:

Articles No.	Existing Articles	Amended Articles
Article 65 (2)	Subject to any special rights or restrictions as to voting for the time being attached to any shares or classes of shares, on a resolution to be decided on a show of hands, a holder of ordinary shares or preference shares who is personally present and entitled to vote shall be entitled to 1 vote, and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. A proxy shall be entitled to vote on a show of hands on any question at any general meeting.	Subject to any special rights or restrictions as to voting for the time being attached to any shares or classes of shares, on a resolution to be decided on a show of hands, a holder of ordinary shares or preference shares who is personally present and entitled to vote shall be entitled to 1 vote, and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. A proxy shall be entitled to vote on a show of hands on any question at any general meeting. **There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.**
Article 67A	Where a member of the Company is authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the company standing to the credit of the said securities account.	(1) **At any general meeting, each member shall be entitled to attend and vote in person or appoint only one (1) proxy or attorney or authorised representative.** (2) Where a member of the Company is an authorised nominee as defined under the Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the company standing to the credit of the said securities account. (3) Where a member of the Company is **an exempt** authorised nominee **which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee** may appoint in respect of each omnibus account it holds. **An exempt authorised nominee refers to an authorised nominee defined under the Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Depositories Act.**

Special Resolution 3

9. To transact any other business for which due notice has been given.

By Order of the Board

PANG CHIA TYNG (MAICSA 7034545)
LAI CHEE WAH (MAICSA 7031124)
Company Secretaries

Kuala Lumpur
19 April 2012

Notes:

Note A: This item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders and hence, is not put forward for voting.

Note B: The proposed Ordinary Resolution 1, if passed, will empower the Company to pay the payment of additional Directors' Fees of RM100,000.00 made up to RM220,000.00 for the financial year ended 31 December 2011 to the Directors. The previous Directors' Fees of RM120,000.00 were approved by the Shareholders of the Company in the Annual General Meeting held on 31 May 2011.

(1) A member entitled to attend and vote at the meeting may appoint another person as his proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies.

(2) A Member may appoint more than two (2) proxies to attend the same meeting. Where a Member appoints two (2) or more proxies, the appointment shall not be valid unless the Member specifies the proportion of his shareholding to be represented by each proxy. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the company standing to the credit of the said securities account.

(3) The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

(4) The instrument appointing a proxy and the power of attorney or other attorney, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Share Registrar, Symphony Share Registrar Sdn Bhd at Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding of the meeting or adjourned meeting.

(5) The Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and speak at the Meeting is 8 May 2012.

EXPLANATORY NOTES

Special Business:

(i) Ordinary Resolution 5

Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965

The proposed Ordinary Resolution 5, if passed, will empower the Directors from the date of this Annual General Meeting, to allot and issue up to a maximum of 10% of the issued share capital of the Company for the time being (other than bonus or rights issue) for such purposes as they consider would be in the best interests of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

The rationale for this resolution is to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new shares for future business opportunities and thereby reducing administrative time and cost associated with the convening of such meeting(s). The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of future investment projects(s), working capital and/or acquisition.

The authority obtained from the Company's shareholders at the last Annual General Meeting held on 31 May 2011 has been utilised to undertake the Private Placement of 17,900,000 new ordinary shares of RM1.00 each ("Placement Shares") in the Company representing approximately ten percent (10%) of the issued and paid up share capital of the Company. The Placement Shares were allotted on 19 March 2012.

(ii) Ordinary Resolution 6

Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

Further information on the Recurrent Related Party Transactions is set out in the Circular to Shareholders dated 19 April 2012 which is despatched together with the 2011 Annual Report of the Company.

(iii) Special Resolutions 1 and 2

Re-Appointment of Directors Pursuant to Section 129(6) of the Companies Act, 1965

The proposed Special Resolutions 1 and 2, if passed, will result the directors who are over the age 70 years shall be appointed to act as a director of public company in pursuant to Section 129 of the Companies Act, 1965.

(iv) Special Resolution 3

Proposed Amendments to the Articles of Association of the Company

The proposed Special Resolution 3, if passed, will streamline the Company's Articles of Association to be in line with the latest Main Market Listing Requirements of Bursa Malaysia Securities Berhad, prevailing statutory and regulatory requirements as well as to render clarity and consistency throughout.

Brahim's Holdings Berhad

(formerly known as Tamadam Bonded Warehouse Berhad)

(82731-A) (Incorporated in Malaysia)

FORM OF PROXY

No. of Shares Held	CDS Account No.

* I/We ……
of ……
being a Member(s) of **BRAHIM'S HOLDINGS BERHAD** (formerly known as TAMADAM BONDED WAREHOUSE BERHAD) (82731-A), hereby appoint ……
of ……… or failing him/her ………………………………………………… of ………………………………………………………………………
…………………………………………………………………………………………… or # THE CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the 30th Annual General Meeting of the Company to be held at Tawau Room, Auditorium & Convention Centre @ The Podium, Ground Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur on Tuesday, 15 May 2012 at 10.00 a.m. or at any adjournment thereof and to vote as indicated below:

	Ordinary Resolutions	For	Against
1.	To approve the payment of additional Directors' Fees 2011 (Ordinary Resolution 1)		
2.	To re-elect Datuk Ibrahim Bin Haji Ahmad (Ordinary Resolution 2)		
3.	To re-elect Dato' Choo Kah Hoe (Ordinary Resolution 3)		
4.	To re-appoint Messrs Crowe Horwath as Auditors of the Company (Ordinary Resolution 4)		
5.	**Special Business** Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965 (Ordinary Resolution 5)		
6.	Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Ordinary Resolution 6)		
7.	To re-appoint Col (Rtd) Dato' Ir Cheng Wah (Special Resolution 1)		
8.	To re-appoint Goh Joon Hai (Special Resolution 2)		
9.	Amendments to the Articles of Association of the Company (Special Resolution 3)		

Mark either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint two proxies or more and wish them to vote differently this should be specified.

If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "The Chairman of the Meeting" and insert the name(s) of the person(s) desired.
* Delete if not applicable.

Signed his………… day of ……………………… 2012

…………………………………………………
Signature/Common Seal of Shareholder

Notes:

(1) A member entitled to attend and vote at the meeting may appoint another person as his proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies.

(2) A Member may appoint more than two (2) proxies to attend the same meeting. Where a Member appoints more than two (2) proxies, the appointment shall not be valid unless the Member specifies the proportion of his shareholding to be represented by each proxy. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the company standing to the credit of the said securities account.

(3) The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

(4) The instrument appointing a proxy and the power of attorney or other attorney, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Share Registrar at Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding of the meeting or adjourned meeting.

(5) The Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and speak at the Meeting is 8 May 2012.

Please fold here

PLEASE
AFFIX
STAMP

The Share Registrar
Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Please fold here

The cover and contents are printed on environment friendly papers.

Munken Polar

Munken papers are high-quality uncoated fine papers with environmental characteristics.

Product features and benefits

*Accredited to the Programme for the Endorsement of Forest Certification schemes (100% PEFC)	Manufactured to the international environmental standard, ISO 14001	High bulk characteristics giving weight savings over standard coated paper

Environmental statements

- is manufactured to ISO 14001 and EMAS (Eco-Management & Audit Scheme) international standards, minimising negative impacts on the environment
- contains material sourced from responsibly managed forests
- contains material sourced from responsibly managed and sustainable forests, certified in accordance with the PEFC (Programme for the Endorsement of Forest Certification schemes)

Recypal

Recypal papers are environment friendly from mills with sustainable forestry initiative. It contains approximately 50% recycled fibre both from mills broke and post-consumer waste.

Brahim's Holdings Berhad
(Formerly known as Tamadam Bonded Warehouse Berhad)
(Company No.: 82731-A)

Corporate Office

7-05, 7th Floor, Menara Hap Seng
Jalan P. Ramlee
50250 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Telephone: 03-2072 0730
Facsimile: 03-2072 0732

KL Operations Centre

A-6-4, Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
Telephone: 03-2181 6393 & 03-2161 2575
Facsimile: 03-2161 2608

Email: info@brahimsgroup.com

www.brahimsgroup.com