

# **Berjaya Food Berhad**

Company No: 876057-U

Date: 9 June 2011

Subject: **UNAUDITED INTERIM FINANCIAL REPORT FOR  
THE PERIOD ENDED 30 APRIL 2011**

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**BERJAYA FOOD BERHAD**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2011

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter		Financial Year To Date	
	3 months ended		12 months ended	
	30/04/2011	30/04/2010	30/04/2011	30/04/2010
	RM'000	RM'000	RM'000	RM'000
REVENUE	17,752	16,285	71,938	60,415
PROFIT FROM OPERATIONS	2,354	3,376	12,266	9,716
Investment related income	116	259	708	685
PROFIT BEFORE TAX	2,470	3,635	12,974	10,401
TAXATION	35	(710)	(2,383)	(1,721)
PROFIT AFTER TAX	2,505	2,925	10,591	8,680
OTHER COMPREHENSIVE ITEMS	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>2,505</u>	<u>2,925</u>	<u>10,591</u>	<u>8,680</u>
PROFIT ATTRIBUTABLE TO:				
- Equity holders of the Company	<u>2,505</u>	<u>2,925</u>	<u>10,591</u>	<u>8,680</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Equity holders of the Company	<u>2,505</u>	<u>2,925</u>	<u>10,591</u>	<u>8,680</u>
EARNINGS PER SHARE (SEN)				
-Basic, for the period	1.77	2.07	7.49	6.14
-Diluted, for the period	<u>1.77</u>	<u>2.07</u>	<u>7.47</u>	<u>6.14</u>

## Notes:

- (a) The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Proforma Consolidated Financial Statements and the Accountants' Report in the Prospectus of the Company dated 18 February 2011 and the accompanying explanatory notes which form an integral part of this interim financial report.
- (b) The comparative figures are presented for illustrative purpose only using the merger accounting method whereby all the combining entities are included as if the merger had been effected throughout the current and previous years.

**BERJAYA FOOD BERHAD**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2011  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30/04/2011 RM'000	As at 30/04/2010 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	19,010	19,601
Intangible assets	986	986
	<u>19,996</u>	<u>20,587</u>
<b>Current Assets</b>		
Inventories	2,333	2,048
Trade and other receivables	5,358	11,119
Deposits with financial institutions	13,046	-
Cash and bank balances	23,713	16,235
	<u>44,450</u>	<u>29,402</u>
<b>TOTAL ASSETS</b>	<u><u>64,446</u></u>	<u><u>49,989</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	70,883	70,674
Reserves	(19,994)	(30,487)
<b>Equity funds</b>	<u>50,889</u>	<u>40,187</u>
<b>Non-current liabilities</b>		
Deferred taxation	1,954	871
Provisions for restoration costs	1,028	966
	<u>2,982</u>	<u>1,837</u>
<b>Current Liabilities</b>		
Trade and other payables	10,364	7,262
Taxation	211	703
	<u>10,575</u>	<u>7,965</u>
<b>Total Liabilities</b>	<u>13,557</u>	<u>9,802</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>64,446</u></u>	<u><u>49,989</u></u>
Basic net assets per share (sen)	35.90	28.43

## Notes:

- (a) The net assets per share is calculated based on the following :  
Basic : Equity funds divided by the number of outstanding shares in issue.
- (b) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report in the Prospectus of the Company dated 18 February 2011 and the accompanying explanatory notes which form an integral part of this interim financial report.
- (c) The comparative figures are presented for illustrative purpose only using the merger accounting method whereby all the combining entities are included as if the merger had been effected throughout the current and previous years.

**BERJAYA FOOD BERHAD**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2011  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Company					
	Non-distributable			Distributable		
	Share capital RM'000	Share premium RM'000	ESOS reserve RM'000	Merger deficit RM'000	Retained earnings RM'000	Total equity RM'000
At 1 May 2010	70,674	1,413	-	(55,087)	23,187	40,187
Total comprehensive income	-	-	-	-	10,591	10,591
<u>Transactions with owners</u>						
Share issuance expenses	-	(117)	-	-	-	(117)
Employees' share option scheme ("ESOS") granted	-	-	15	-	-	15
ESOS exercised	209	8	(4)	-	-	213
At 30 April 2011	<u>70,883</u>	<u>1,304</u>	<u>11</u>	<u>(55,087)</u>	<u>33,778</u>	<u>50,889</u>
At 1 May 2009	70,674	1,413	-	(55,087)	14,507	31,507
Total comprehensive income	-	-	-	-	8,680	8,680
At 30 April 2010	<u>70,674</u>	<u>1,413</u>	<u>-</u>	<u>(55,087)</u>	<u>23,187</u>	<u>40,187</u>

## Notes:

- (a) The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report in the Prospectus of the Company dated 18 February 2011 and the accompanying explanatory notes which form an integral part of this interim financial report.
- (b) The comparative figures are presented for illustrative purpose only using the merger accounting method whereby all the combining entities are included as if the merger had been effected throughout the current and previous years.

**BERJAYA FOOD BERHAD**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2011  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended	
	30/04/2011	30/04/2010
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from operations	71,704	68,541
Payments for operating expenses (including taxes)	(54,563)	(55,945)
Net cash generated from operating activities	<u>17,141</u>	<u>12,596</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	12	14
Acquisition of property, plant and equipment	(4,348)	(4,435)
Acquisition of business operations	-	(2,680)
Interest received	658	139
Net cash used in investing activities	<u>(3,678)</u>	<u>(6,962)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issuance of share capital	213	-
Dividends paid	-	(520)
Net repayment received from related company	6,848	346
Net cash generated from/(used in) financing activities	<u>7,061</u>	<u>(174)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	20,524	5,460
<b>OPENING CASH AND CASH EQUIVALENTS</b>	16,235	10,775
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<u>36,759</u>	<u>16,235</u>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	13,046	-
Cash and bank balances	23,713	16,235
	<u>36,759</u>	<u>16,235</u>

## Notes:

- (a) The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report in the Prospectus of the Company dated 18 February 2011 and the accompanying explanatory notes which form an integral part of this interim financial report.
- (b) The comparative figures are presented for illustrative purpose only using the merger accounting method whereby all the combining entities are included as if the merger had been effected throughout the current and previous years.

**BERJAYA FOOD BERHAD**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2011

## NOTES TO THE INTERIM FINANCIAL REPORT

- A1 The interim financial report is not audited and has been prepared in compliance with Financial Reporting Standards (FRS)134, Interim Financial Reporting.

The interim financial report should be read in conjunction with the proforma consolidated financial information and the Accountants' Report in the Prospectus of the Company dated 18 February 2011 and the accompanying explanatory notes attached to the interim financial report.

In conjunction with the Company's listing on the Main Market of Bursa Securities, the Company acquired the entire issued and paid-up capital of Berjaya Roasters (M) Sdn Bhd ('BRoasters'). The acquisition of this subsidiary is accounted for using the merger method as they involved entities under common control.

## Changes in Accounting Policies

The Group adopted the following new and revised Financial Reporting Standards ("FRSs"), Amendments to FRSs and IC interpretations which are relevant to the Group, with effect from 1 May 2010.

		Effective for financial periods beginning on or after
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements (revised)	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 117	Leases	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2010
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives	1 January 2010
Improvements to FRSs	Improvements to FRSs (2009)	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

## **BERJAYA FOOD BERHAD**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2011

### NOTES TO THE INTERIM FINANCIAL REPORT

Other than the adoption of FRS 8 and FRS 139, the application of the FRSs, Amendments to FRSs and IC Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

(a) FRS 8: Operating Segments

FRS 8 requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

The Group presents its segment information based on its business segments for its internal reporting purposes and the format, the basis of measurement of segment results, segment assets and segment liabilities are the same as that for external reporting purposes.

As this is a disclosure standard, there is no impact on the financial position or financial performance of the Group.

(b) FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now only include details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income.

The standard also introduces the statement of comprehensive income; presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present in one single statement. In addition, the adoption of the standard has resulted in consolidated balance sheet now renamed as consolidated statement of financial position.

There is no impact on the results of the Group since these changes affects only the presentation of items of income and expenses.

(c) FRS 139: Financial Instruments - Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the reporting date reflects the designation of the financial instruments.

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale ("AFS") financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include short term fund and trade and other receivables.

i) Trade and other receivables

Prior to the adoption of FRS 139, trade and other receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, these receivables are initially measured at fair value plus transaction costs and subsequently at amortised cost using effective interest rate (EIR) method. Gains and losses arising from the derecognition of the receivables, EIR amortisation and impairment losses are recognised in the income statement.

**BERJAYA FOOD BERHAD**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2011

## NOTES TO THE INTERIM FINANCIAL REPORT

## Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings at amortised cost, or as derivatives designated as hedging instruments in an effective hedge as appropriate. The Group's financial liabilities include trade and other payables. Under FRS 139, these financial liabilities are measured initially at fair value and subsequently carried at amortised cost using EIR method.

- A2 The Group's operations are positively impacted by major festive seasons and school holidays.
- A3 There were no changes in estimates that have had a material effect in the current quarter results.
- A4 There was no unusual items during the financial period under review.
- A5 As at 30 April 2011, the issued and paid up ordinary share capital of the Company was RM70,883,000.00. The movements during the financial period were as follows:-

	<b>Ordinary shares of RM0.50 each</b>	<b>RM</b>
<b><u>Issued and paid up share capital</u></b>		
As at 1 May 2010 (4 shares x RM0.50 each)	4	2
Issued during the financial period:		
Arising from acquisition of 100% equity interest in BRoasters from Berjaya Group Berhad ("BGroup")	141,347,996	70,673,998
ESOS exercised	418,000	209,000
As at 30 April 2011	<u>141,766,000</u>	<u>70,883,000</u>

As at 30 April 2011, the total number of unexercised share options was 6,915,000 option shares of par value of RM0.50 each.

- A6 There was no dividend paid by the Company during the financial period under review.
- A7 Segment information for the financial year ended 30 April 2011:-

**REVENUE**

	Group RM'000
Restaurants	71,938
Total revenue	<u>71,938</u>

**RESULTS**

	Group RM'000
Restaurants	12,320
Investment holding	(54)
	<u>12,266</u>
Investment related income	
- Interest income	708
Profit before tax	<u>12,974</u>
Taxation	<u>(2,383)</u>
Profit for the year	<u><u>10,591</u></u>



**BERJAYA FOOD BERHAD**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2011

NOTES TO THE INTERIM FINANCIAL REPORT

- A8 No valuation of land and buildings have been brought forward without amendment from the previous annual audited financial statements.
- A9 Save as disclosed, there were no significant events since the end of this current quarter up to the date of this announcement.
- A10 There was no change in the composition of the Group for the current period including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except the following:-
- (a) On 19 January 2011, the Company completed the acquisition of the entire issued and paid-up share capital of BROasters comprising 17 million ordinary shares of RM1.00 each for a purchase consideration of about RM72 million which was settled by the issuance of about 141 million new BFood ordinary shares of RM0.50 each at the issue price RM0.51 each to Berjaya Group Berhad ("BGroup"), the vendor.
- A11 There were no material changes in contingent liabilities or contingent assets relating to those that were disclosed in the Prospectus dated 18 February 2011.
- A12 There were no material changes in capital commitment relating to those that were disclosed in the Prospectus dated 18 February 2011.

## BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2011  
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

### B1 Current quarter vs preceding year same quarter

For the quarter ended 30 April 2011, the Group reported a revenue and pre-tax profit of RM17.752 million and RM2.470 million as compared to the preceding year corresponding quarter which reported a revenue and pre-tax profit of RM16.285 million and RM3.635 million respectively. The higher revenue was mainly due to more restaurants operating in the current quarter compared to the preceding year corresponding quarter. The lower pre-tax profit was mainly due to higher advertising and promotional expenses, and write-offs relating to the closure of two restaurants arising from restaurant rationalisation and relocation.

### Current period vs preceding year same period

For the twelve (12) month period ended 30 April 2011, the Group registered a revenue of RM71.938 million and pre-tax profit of RM12.974 million as compared to the combined group revenue of RM60.415 million and combined group pre-tax profit of RM10.401 million for the previous year. The increase in revenue and pre-tax profit was mainly due to additional restaurants that were opened during this financial period under review.

### B2 Fourth quarter vs third quarter

For the quarter ended 30 April 2011, the Group reported a revenue of RM17.752 million and pre-tax profit of RM2.470 million, as compared to the combined group revenue of RM21.071 million and combined group pre-tax profit of RM5.406 million for the preceding quarter. The higher revenue and pre-tax profit in the preceding quarter was mainly due to calendar year end festive sales and school holiday seasons.

### B3 Future Prospects

Given the improving economic conditions that will have a positive impact on the food and beverage industry, as well as the Group's business expansion, the Board of Directors is of the view that the Group's performance for the financial year ending 30 April 2012 will show growth.

B4 There was no profit forecast or profit guarantee given by the Company for the current period under review.

B5 The taxation charge for the current quarter and 12-month period ended 30 April 2011 are detailed as follows:

	For the current quarter RM'000	Financial year to date RM'000
Group:-		
Based on the results for the period:-		
- Malaysian taxation	211	2,316
- Over provision in prior year	-	(1,017)
- Deferred tax	(246)	1,084
	<u>(35)</u>	<u>2,383</u>

The disproportionate tax charge of the Group for the current quarter and financial year ended 30 April 2011 was mainly due to the availability of group relief and high deferred tax liabilities recognised.

B6 There were no profits/(losses) on sales of unquoted investment and properties for the current quarter under review.

B7 (a) There were no purchase or disposal of quoted securities for the current quarter.

(b) The Group does not have any investments in quoted securities.

**BERJAYA FOOD BERHAD**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2011  
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

**B8 Status of Corporate Proposals**Offer For Sale (OFS)

The Company issued its Prospectus on 18 February 2011 in conjunction with its listing of and quotation of its entire issued and paid-up share capital on the Main Market of Bursa Securities pursuant to the OFS by BGroup. The OFS involves the following:-

- (a) 14,134,800 offer shares available for placement to Bumiputera investors approved by the Ministry of International Trade and Industry;
- (b) 9,734,800 offer shares available for private placement to selected investors;
- (c) 3,533,700 offer shares available for application by the Bumiputera public;
- (d) 3,533,700 offer shares available for application by the Malaysian public; and
- (e) 4,900,000 offer shares available for application by the eligible directors, employees and business associates of BFood and its subsidiary,

at an offer price of RM0.51 per offer share payable in full upon application.

The OFS closed on 25 February 2011 and the Company's entire issued and fully paid-up share capital were listed on the Main Market of Bursa Malaysia Securities Berhad on 8 March 2011.

B9 The Group does not have any borrowings and debt securities as at 30 April 2011.

B10 There is no off statement of financial position financial instruments as at the date of this announcement.

B11 There were no material litigation for the current financial period.

B12 The Board has recommended a first interim dividend of 3 sen single-tier exempt dividend per share in respect of financial year ended 30 April 2011 and payable on 22 July 2011. The entitlement date has been fixed on 15 July 2011.

A Depositor shall qualify for the entitlement only in respect of:

- (a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 15 July 2011 in respect of ordinary transfers.
- (b) Shares bought on the Bursa Securities on a cum entitlement basis according to the rules of Bursa Securities.

B13 Realised and unrealised earnings of the Group is analysed as follows:

	As at 30/04/2011 RM'000	As at 31/01/2011 RM'000
Total retained earnings of the Company and its subsidiary:		
- realised	35,732	33,473
- unrealised	(1,954)	(2,200)
	<u>33,778</u>	<u>31,273</u>

**BERJAYA FOOD BERHAD**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2011

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B14 The basic and diluted earnings per share are calculated as follows:

	Group (3-month period)			
	30/04/2011	30/04/2010	30/04/2011	30/04/2010
	RM'000		sen	
Net profit for the quarter	<u>2,505</u>	<u>2,925</u>		
Weighted average number of ordinary shares in issue ('000)	<u>141,441</u>	<u>141,348</u>		
Basic earnings per share			<u>1.77</u>	<u>2.07</u>
Net profit for the quarter	<u>2,505</u>	<u>2,925</u>		
Weighted average number of ordinary shares in issue ('000)	141,441	141,348		
Dilutive ESOS	<u>455</u>	<u>-</u>		
	<u>141,896</u>	<u>141,348</u>		
Dilutive earnings per share			<u>1.77</u>	<u>2.07</u>
	Group (12-month period)			
	30/04/2011	30/04/2010	30/04/2011	30/04/2010
	RM'000		sen	
Net profit for the period	<u>10,591</u>	<u>8,680</u>		
Weighted average number of ordinary shares in issue ('000)	<u>141,371</u>	<u>141,348</u>		
Basic earnings per share			<u>7.49</u>	<u>6.14</u>
Net profit for the period	<u>10,591</u>	<u>8,680</u>		
Weighted average number of ordinary shares in issue ('000)	141,371	141,348		
Dilutive ESOS	<u>455</u>	<u>-</u>		
	<u>141,826</u>	<u>141,348</u>		
Dilutive earnings per share			<u>7.47</u>	<u>6.14</u>

c.c. Securities Commission