

Berjaya Food Berhad

Company No: 876057-U

Date: 8 September 2011

Subject: **UNAUDITED INTERIM FINANCIAL REPORT FOR
THE PERIOD ENDED 31 JULY 2011**

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BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>Current Quarter</u>	
	<u>3 months ended</u>	
	<u>31/07/2011</u>	<u>31/07/2010</u>
	<u>RM'000</u>	<u>RM'000</u>
REVENUE	20,117	17,383
PROFIT FROM OPERATIONS	3,674	2,926
Investment related income	169	167
PROFIT BEFORE TAX	3,843	3,093
TAXATION	(985)	(500)
PROFIT AFTER TAX	2,858	2,593
OTHER COMPREHENSIVE ITEMS	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>2,858</u>	<u>2,593</u>
PROFIT ATTRIBUTABLE TO:		
- Equity holders of the Company	<u>2,858</u>	<u>2,593</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
- Equity holders of the Company	<u>2,858</u>	<u>2,593</u>
EARNINGS PER SHARE (SEN)		
-Basic, for the period	2.01	1.83
-Diluted, for the period	<u>1.97</u>	<u>1.83</u>

Note:

- (a) 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.

The annexed notes form an integral part of this interim financial report.

BERJAYA FOOD BERHADUNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2011
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/07/2011	As at 30/04/2011 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	19,690	19,010
Intangible assets	986	986
	<u>20,676</u>	<u>19,996</u>
Current Assets		
Inventories	3,033	2,333
Trade and other receivables	6,087	5,194
Deposits with financial institutions	10,300	10,300
Cash and bank balances	20,989	26,459
	<u>40,409</u>	<u>44,286</u>
TOTAL ASSETS	<u>61,085</u>	<u>64,282</u>
EQUITY AND LIABILITIES		
Share capital	70,991	70,883
Reserves	(21,357)	(20,090)
Equity funds	<u>49,634</u>	<u>50,793</u>
Non-current liabilities		
Deferred taxation	1,954	1,954
Provisions for restoration costs	1,052	1,028
	<u>3,006</u>	<u>2,982</u>
Current Liabilities		
Payables and provisions	7,974	10,296
Taxation	471	211
	<u>8,445</u>	<u>10,507</u>
Total Liabilities	<u>11,451</u>	<u>13,489</u>
TOTAL EQUITY AND LIABILITIES	<u>61,085</u>	<u>64,282</u>
Basic net assets per share (sen)	34.96	35.83

Note:

- (a) The net assets per share is calculated based on the following:
Basic: Equity funds divided by the number of outstanding shares in issue.

The annexed notes form an integral part of this interim financial report.

BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 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 2011	70,883	1,374	243	(55,087)	33,380	50,793
Total comprehensive income	-	-	-	-	2,858	2,858
<u>Transactions with owners</u>						
ESOS exercised	108	39	(37)	-	-	110
Share-based payment under ESOS	-	-	130	-	-	130
Interim dividend *	-	-	-	-	(4,257)	(4,257)
At 31 July 2011	<u>70,991</u>	<u>1,413</u>	<u>336</u>	<u>(55,087)</u>	<u>31,981</u>	<u>49,634</u>
At 1 May 2010	70,674	1,413	-	(55,087)	23,187	40,187
Total comprehensive income	-	-	-	-	2,593	2,593
At 31 July 2010	<u>70,674</u>	<u>1,413</u>	<u>-</u>	<u>(55,087)</u>	<u>25,780</u>	<u>42,780</u>

* First interim dividend of 6% single-tier exempt dividend per share approved in respect of the financial year ended 30 April 2011.

Note:

- (a) 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.
- (b) ESOS - Employees' Share Option Scheme

BERJAYA FOOD BERHADUNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2011
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	31/07/2011	31/07/2010
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	19,524	17,265
Payments for operating expenses (including taxes)	(19,169)	(14,001)
Net cash generated from operating activities	<u>355</u>	<u>3,264</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	156	-
Acquisition of property, plant and equipment	(2,088)	(299)
Interest received	169	167
Net cash used in investing activities	<u>(1,763)</u>	<u>(132)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital	110	-
Dividends paid	(4,257)	-
Net repayment received from related company	85	-
Net cash used in financing activities	<u>(4,062)</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(5,470)	3,132
OPENING CASH AND CASH EQUIVALENTS	36,759	16,235
CLOSING CASH AND CASH EQUIVALENTS	<u>31,289</u>	<u>19,367</u>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	10,300	-
Cash and bank balances	20,989	19,367
	<u>31,289</u>	<u>19,367</u>

Note:

- (a) 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 31 JULY 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 and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30 April 2011. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for understanding the changes in the financial position and performance of the Company since the year ended 30 April 2011.

The accounting policies and methods of computation adopted by the Group in the quarterly financial statements are consistent with those adopted in the audited financial statements for the year ended 30 April 2011.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the accounting period beginning 1 May 2011.

The initial application of the FRSs, Amendments to FRSs and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impacts to the financial statements of the Group upon their first adoption.

- A2 The audit report of the Company's most recent annual audited financial statements does not contain any qualification.
- A3 The Group's operations are positively impacted by major festive seasons and school holidays.
- A4 There was no unusual items during the financial period under review.
- A5 As at 31 July 2011, the issued and paid up ordinary share capital of the Company was RM70,991,000.00. The movements during the financial period were as follows:-

	Ordinary shares of RM0.50 each	RM
<u>Issued and paid up share capital</u>		
As at 1 May 2011	141,766,000	70,883,000
ESOS exercised	216,000	108,000
As at 31 July 2011	<u>141,982,000</u>	<u>70,991,000</u>

As at 31 July 2011, the total number of unexercised ESOS was 6,699,000 shares of RM0.50 par value each.

- A6 During the financial period ended 31 July 2011, the Company paid an interim dividend, in respect of the financial year ended 30 April 2011, of RM4.257 million or 6% single-tier exempt dividend per share on 22 July 2011.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2011

NOTES TO THE INTERIM FINANCIAL REPORT

A7 Segment information for the financial year ended 31 July 2011:-

REVENUE

	Group RM'000
Restaurants	20,117
Total revenue	<u>20,117</u>

RESULTS

	Group RM'000
Restaurants	3,897
Investment holding	<u>(223)</u>
	3,674
Investment related income	
- Interest income	<u>169</u>
Profit before tax	3,843
Taxation	<u>(985)</u>
Profit for the period	<u><u>2,858</u></u>

A8 There is no valuation of land and buildings.

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 27 July 2011, the Company incorporated Berjaya Food (International) Sdn Bhd.

A11 There were no material changes in contingent liabilities or contingent assets since the last audited statement of financial position as at 30 April 2011.

A12 There were no material changes in capital commitment since the last audited statement of financial position as at 30 April 2011 except for the proposed acquisition of PT Boga Lestari Sentosa and Berjaya Starbucks Coffee Company Sdn Bhd as announced to Bursa Malaysia Securities Berhad on 26 July 2011 and 25 August 2011 respectively.

BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2011

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B1 Current quarter vs preceding year same quarter

For the quarter ended 31 July 2011, the Group reported a revenue and pre-tax profit of RM20.117 million and RM3.843 million respectively as compared to the revenue and pre-tax profit of RM17.383 million and RM3.093 million respectively in the preceding year corresponding quarter. The higher revenue and pre-tax profit was mainly due to additional restaurants operating in the current quarter compared to the preceding year corresponding quarter and also improved sales from existing restaurants.

B2 First quarter vs fourth quarter of the preceding financial year

For the current quarter under review, the Group reported a revenue of RM20.117 million and pre-tax profit of RM3.843 million, as compared to a revenue of RM17.752 million and pre-tax profit of RM2.470 million for the preceding quarter. The higher revenue and pre-tax profit in the current quarter was mainly due to higher sales recorded as a result of the school holidays and the Malaysia Mega Sales Carnival during the current quarter under review as well as the opening of additional restaurants.

B3 Future Prospects

The Board of Directors is of the view that the opening of additional restaurants in the subsequent quarters in accordance with its business plan for Malaysia and the completion of the corporate proposals already announced, would likely enhance the Group's performance for the financial year ending 30 April 2012.

B4 There is no profit forecast or profit guarantee for the financial period ended 31 July 2011.

B5 The taxation charge for the current quarter ended 31 July 2011 are detailed as follows:

	For the current quarter RM'000
Group:-	
Based on the results for the period:-	
- Malaysian taxation	985
- Over provision in prior year	-
- Deferred tax	-
	<hr/> <hr/> 985

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.

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B8 There has been no further developments for those corporate proposals disclosed in Note 31 to the audited financial statements of the Company for the financial year ended 30 April 2011.

Events announced subsequent to the date of the audited accounts:

- (i) On 25 August 2011, the Company entered into a conditional Shares Sale Agreement with Berjaya Group Berhad, a wholly-owned subsidiary of Berjaya Corporation Berhad for the proposed acquisition of 11,500,000 ordinary shares of RM1.00 each representing 50% equity interest in Berjaya Starbucks Coffee Company Sdn Bhd for a cash consideration of RM71,698,000.
- (ii) On 25 August 2011, the Company also announced a proposed renounceable rights issue of up to 118,944,800 new shares ("Rights Shares") in the Company ("BFood") together with up to 118,944,800 new free detachable warrants on the basis of four (4) Rights Shares together with four (4) free Warrants for every five (5) BFood Shares held by the entitled shareholders of the Company on an entitlement date to be determined and announced later by BFood at an issue price of RM0.65 per Rights Share. The exercise price of the Warrant is RM0.70 for one new BFood share.

The above proposals are subject to approvals being obtained from the relevant authorities.

B9 The Group does not have any borrowings and debt securities as at 31 July 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 does not recommend any dividend for the current quarter under review (previous year corresponding quarter ended 31 July 2010 : Nil).

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

	As at 31/07/2011 RM'000	As at 30/04/2011 RM'000
Total retained earnings of the Company and its subsidiary companies:		
- realised	33,935	35,334
- unrealised	(1,954)	(1,954)
	<u>31,981</u>	<u>33,380</u>

BERJAYA FOOD BERHADUNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 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)			
	31/07/2011	31/07/2010	31/07/2011	31/07/2010
Net profit for the quarter (RM'000)	<u>2,858</u>	<u>2,593</u>		
Weighted average number of ordinary shares in issue ('000)	<u>141,897</u>	<u>141,348</u>		
Basic earnings per share (Sen)			<u>2.01</u>	<u>1.83</u>
Net profit for the quarter (RM000)	<u>2,858</u>	<u>2,593</u>		
Weighted average number of ordinary shares in issue ('000)	141,897	141,348		
Dilutive employee share options ('000)	<u>2,924</u>	<u>-</u>		
	<u>144,821</u>	<u>141,348</u>		
Dilutive earnings per share (Sen)			<u>1.97</u>	<u>1.83</u>

c.c. Securities Commission