

# **Berjaya Food Berhad**

Company No: 876057-U

Date: 8 December 2011

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

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**BERJAYA FOOD BERHAD**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2011

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>Current Quarter</u>		<u>Financial Year To Date</u>	
	3 months ended		6 months ended	
	31/10/2011	31/10/2010	31/10/2011	31/10/2010
	RM'000	RM'000	RM'000	RM'000
REVENUE	18,177	15,732	38,294	33,115
PROFIT FROM OPERATIONS	1,668	1,830	5,342	4,756
Investment related income	164	174	333	341
PROFIT BEFORE TAX	1,832	2,004	5,675	5,097
TAXATION	(208)	(500)	(1,193)	(1,000)
PROFIT AFTER TAX	1,624	1,504	4,482	4,097
OTHER COMPREHENSIVE ITEMS	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,624</u>	<u>1,504</u>	<u>4,482</u>	<u>4,097</u>
PROFIT ATTRIBUTABLE TO:				
- Equity holders of the Company	<u>1,624</u>	<u>1,504</u>	<u>4,482</u>	<u>4,097</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Equity holders of the Company	<u>1,624</u>	<u>1,504</u>	<u>4,482</u>	<u>4,097</u>
EARNINGS PER SHARE (SEN)				
-Basic, for the period	1.14	1.06	3.16	2.90
-Diluted, for the period	<u>1.12</u>	<u>1.06</u>	<u>3.10</u>	<u>2.90</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 previous year.

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

**BERJAYA FOOD BERHAD**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2011  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/10/2011	As at 30/04/2011 (Audited)
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	20,939	19,010
Intangible assets	<u>1,257</u>	<u>986</u>
	<u>22,196</u>	<u>19,996</u>
<b>Current Assets</b>		
Inventories	2,855	2,333
Trade and other receivables	6,701	5,194
Deposits with financial institutions	10,300	10,300
Cash and bank balances	<u>22,880</u>	<u>26,459</u>
	<u>42,736</u>	<u>44,286</u>
<b>TOTAL ASSETS</b>	<u>64,932</u>	<u>64,282</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	71,021	70,883
Reserves	<u>(19,609)</u>	<u>(20,090)</u>
<b>Equity funds</b>	<u>51,412</u>	<u>50,793</u>
<b>Non-current liabilities</b>		
Deferred taxation	1,954	1,954
Provisions for restoration costs	<u>1,069</u>	<u>1,028</u>
	<u>3,023</u>	<u>2,982</u>
<b>Current Liabilities</b>		
Payables and provisions	10,348	10,296
Taxation	<u>149</u>	<u>211</u>
	<u>10,497</u>	<u>10,507</u>
<b>Total Liabilities</b>	<u>13,520</u>	<u>13,489</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>64,932</u>	<u>64,282</u>
Basic net assets per share (sen)	36.19	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 OCTOBER 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	-	-	-	-	4,482	4,482
<u>Transactions with owners</u>						
ESOS exercised	138	47	(44)	-	-	141
Share-based payment under ESOS	-	-	253	-	-	253
Interim dividend *	-	-	-	-	(4,257)	(4,257)
At 31 Oct 2011	<u>71,021</u>	<u>1,421</u>	<u>452</u>	<u>(55,087)</u>	<u>33,605</u>	<u>51,412</u>
At 1 May 2010	70,674	1,413	-	(55,087)	23,187	40,187
Total comprehensive income	-	-	-	-	4,097	4,097
At 31 Oct 2010	<u>70,674</u>	<u>1,413</u>	<u>-</u>	<u>(55,087)</u>	<u>27,284</u>	<u>44,284</u>

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

Notes:

- (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 previous year.
- (b) ESOS - Employees' Share Option Scheme

**BERJAYA FOOD BERHAD**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2011  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	31/10/2011	31/10/2010
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from operations	38,740	33,000
Payments for operating expenses (including taxes)	(34,355)	(26,373)
Net cash generated from operating activities	<u>4,385</u>	<u>6,627</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	158	9
Acquisition of property, plant and equipment	(4,521)	(940)
Interest received	333	341
Net cash used in investing activities	<u>(4,030)</u>	<u>(590)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issuance of share capital	141	-
Dividends paid	(4,257)	-
Net repayment received from related company	182	-
Net cash used in financing activities	<u>(3,934)</u>	<u>-</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,579)</b>	<b>6,037</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>36,759</b>	<b>16,235</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b><u>33,180</u></b>	<b><u>22,272</u></b>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	10,300	-
Cash and bank balances	<u>22,880</u>	<u>22,272</u>
	<u>33,180</u>	<u>22,272</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 previous year.

**BERJAYA FOOD BERHAD**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 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 affected by major festive seasons and school holidays.
- A4 There was no unusual items during the financial period under review.
- A5 As at 31 October 2011, the issued and paid up ordinary share capital of the Company was RM71,020,700.00. 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 2011	141,766,000	70,883,000
ESOS exercised	275,400	137,700
As at 31 October 2011	<u>142,041,400</u>	<u>71,020,700</u>

As at 31 October 2011, the total number of unexercised ESOS was 6,612,600 shares of RM0.50 par value each.

- A6 During the financial period ended 31 October 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.

**BERJAYA FOOD BERHAD**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2011

## NOTES TO THE INTERIM FINANCIAL REPORT

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

**REVENUE**

	Group RM'000
Restaurants	38,294
Total revenue	<u>38,294</u>

**RESULTS**

	Group RM'000
Restaurants	5,847
Investment holding	<u>(505)</u>
	5,342
Investment related income	
- Interest income	<u>333</u>
Profit before tax	5,675
Taxation	<u>(1,193)</u>
Profit for the period	<u><u>4,482</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 OCTOBER 2011  
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

### B1 For the quarter

The Group registered a revenue of RM18.18 million and pre-tax profit of RM1.83 million in the current quarter ended 31 October 2011 as compared to a revenue of RM15.73 million and pre-tax profit of RM2.00 million in the previous year corresponding quarter. The improved revenue was mainly due to more restaurants operating in the current quarter. The pre-tax profit of Berjaya Roasters (M) Sdn Bhd, the principal subsidiary company of the Group, improved by about 5%, but this was offset by the fair value charge of the share options (which was granted in the 4th quarter of last financial year) and other corporate exercise expenses incurred during the quarter upon consolidation with the holding company.

### For the 6-month period

As for the 6-month period ended 31 October 2011, the Group's revenue and pre-tax profit were RM38.29 million and RM5.67 million respectively as compared to a revenue and pre-tax profit of RM33.12 million and RM5.1 million respectively in the previous year corresponding period. The higher revenue and pre-tax profit was mainly due to higher sales recorded as a result of additional restaurants operating during the current 6-month period as compared to the previous year corresponding period.

### B2 Second quarter vs first quarter

For the quarter under review, the Group reported a decrease in revenue from RM20.1 million to RM18.18 million whilst pre-tax profit dropped to RM1.83 million as compared to RM3.84 million reported in the preceding quarter ended 31 July 2011.

The decrease in revenue and pre-tax profit in the current quarter when compared to the preceding quarter was mainly due to lower sales volume during the muslim fasting month in August 2011.

### 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 October 2011.

B5 The taxation charge for the current quarter ended 31 October 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	279	1,264
- Over provision in prior year	(71)	(71)
- Deferred tax	-	-
	<u>208</u>	<u>1,193</u>

The disproportionate tax charge of the Group for the current quarter/period ended 31 October 2011 was mainly due to utilisation of certain tax relief.

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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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2011  
 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 October 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 2 sen single-tier exempt dividend per share (previous year corresponding quarter ended 31 October 2010: Nil. 6 months ended 31 October 2010: Nil.) in respect of financial year ending 30 April 2012 and payable on 16 January 2012. The entitlement date has been fixed on 9 January 2012.

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 9 January 2012 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 31/10/2011 RM'000	As at 30/04/2011 RM'000
Total retained earnings of the Company and its subsidiary companies:		
- realised	35,559	35,334
- unrealised	(1,954)	(1,954)
	<u>33,605</u>	<u>33,380</u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 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)			
	31/10/2011	31/10/2010	31/10/2011	31/10/2010
	RM'000		sen	
Net profit for the quarter (RM'000)	<u>1,624</u>	<u>1,504</u>		
Weighted average number of ordinary shares in issue ('000)	<u>142,018</u>	<u>141,348</u>		
Basic earnings per share (Sen)			<u>1.14</u>	<u>1.06</u>
Net profit for the quarter (RM000)	<u>1,624</u>	<u>1,504</u>		
Weighted average number of ordinary shares in issue ('000)	142,018	141,348		
Dilutive employee share options ('000)	<u>2,823</u>	<u>-</u>		
	<u>144,841</u>	<u>141,348</u>		
Dilutive earnings per share (Sen)			<u>1.12</u>	<u>1.06</u>

	Group (6-month period)			
	31/10/2011	31/10/2010	31/10/2011	31/10/2010
	RM'000		sen	
Net profit for the period	<u>4,482</u>	<u>4,097</u>		
Weighted average number of ordinary shares in issue ('000)	<u>141,958</u>	<u>141,348</u>		
Basic earnings per share (Sen)			<u>3.16</u>	<u>2.90</u>
Net profit for the period	<u>4,482</u>	<u>4,097</u>		
Weighted average number of ordinary shares in issue ('000)	141,958	141,348		
Dilutive employee share options ('000)	<u>2,823</u>	<u>-</u>		
	<u>144,781</u>	<u>141,348</u>		
Dilutive earnings per share (Sen)			<u>3.10</u>	<u>2.90</u>

c.c. Securities Commission