

# **Berjaya Food Berhad**

Company No: 876057-U

Date: 8 March 2012

Subject: **UNAUDITED INTERIM FINANCIAL REPORT FOR  
THE PERIOD ENDED 31 JANUARY 2012**

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**BERJAYA FOOD BERHAD**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2012

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter		Financial Year To Date	
	3 months ended		9 months ended	
	31/01/2012	31/01/2011	31/01/2012	31/01/2011
	RM'000	RM'000	RM'000	RM'000
REVENUE	26,164	21,071	64,458	54,186
PROFIT FROM OPERATIONS	5,310	5,155	10,652	9,912
Investment related income	166	251	499	592
PROFIT BEFORE TAX	5,476	5,406	11,151	10,504
TAXATION	(1,171)	(1,105)	(2,364)	(2,418)
PROFIT AFTER TAX	4,305	4,301	8,787	8,086
OTHER COMPREHENSIVE ITEMS	(31)	-	(31)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4,274	4,301	8,756	8,086
PROFIT ATTRIBUTABLE TO:				
- Equity holders of the Company	4,300	4,301	8,782	8,086
- Non-controlling interests	5	-	5	-
	4,305	4,301	8,787	8,086
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Equity holders of the Company	4,285	4,301	8,767	8,086
- Non-controlling interests	(11)	-	(11)	-
	4,274	4,301	8,756	8,086
EARNINGS PER SHARE (SEN)				
-Basic, for the period	3.03	3.04	6.19	5.72
-Diluted, for the period	2.96	3.04	6.04	5.72

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 JANUARY 2012  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/01/2012	As at 30/04/2011 (Audited)
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	23,745	19,010
Intangible assets	1,361	986
	<u>25,106</u>	<u>19,996</u>
<b>Current Assets</b>		
Inventories	3,666	2,333
Trade and other receivables	9,703	5,194
Tax recoverable	27	-
Deposits with financial institutions	10,300	10,300
Cash and bank balances	25,487	26,459
	<u>49,183</u>	<u>44,286</u>
<b>TOTAL ASSETS</b>	<u>74,289</u>	<u>64,282</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	71,093	70,883
Reserves	(18,038)	(20,090)
	<u>53,055</u>	<u>50,793</u>
Non-controlling interests	1,250	-
<b>Equity funds</b>	<u>54,305</u>	<u>50,793</u>
<b>Non-current liabilities</b>		
Deferred taxation	1,890	1,954
Provisions for restoration costs	1,322	1,028
	<u>3,212</u>	<u>2,982</u>
<b>Current Liabilities</b>		
Payables and provisions	15,849	10,296
Taxation	923	211
	<u>16,772</u>	<u>10,507</u>
<b>Total Liabilities</b>	<u>19,984</u>	<u>13,489</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>74,289</u>	<u>64,282</u>
Basic net assets per share (sen)	37.31	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 JANUARY 2012  
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	Exchange reserve RM'000	Merger deficit RM'000	Retained earnings RM'000	Total equity RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 May 2011	70,883	1,374	243	-	(55,087)	33,380	50,793	-	50,793
Total comprehensive income	-	-	-	(15)	-	8,782	8,767	(11)	8,756
<u>Transactions with owners</u>									
ESOS options exercised	210	74	(67)	-	-	-	217	-	217
Share-based payment under ESOS	-	-	378	-	-	-	378	-	378
Interim dividend *	-	-	-	-	-	(4,257)	(4,257)	-	(4,257)
Interim dividend #	-	-	-	-	-	(2,843)	(2,843)	-	(2,843)
Acquisition of subsidiary	-	-	-	-	-	-	-	1,261	1,261
At 31 Jan 2012	<u>71,093</u>	<u>1,448</u>	<u>554</u>	<u>(15)</u>	<u>(55,087)</u>	<u>35,062</u>	<u>53,055</u>	<u>1,250</u>	<u>54,305</u>
At 1 May 2010	70,674	1,413	-	-	(55,087)	23,187	40,187	-	40,187
Total comprehensive income	-	-	-	-	-	8,086	8,086	-	8,086
Share issuance expenses	-	(106)	-	-	-	-	(106)	-	(106)
At 31 Jan 2011	<u>70,674</u>	<u>1,307</u>	<u>-</u>	<u>-</u>	<u>(55,087)</u>	<u>31,273</u>	<u>48,167</u>	<u>-</u>	<u>48,167</u>

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

# First interim dividend of 4% single-tier exempt dividend per share in respect of financial year ending 30 April 2012.

## 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 JANUARY 2012  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended	
	31/01/2012	31/01/2011
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from operations	64,665	54,183
Payments for operating expenses (including taxes)	(52,361)	(42,586)
Net cash generated from operating activities	<u>12,304</u>	<u>11,597</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	161	9
Acquisition of property, plant and equipment	(5,478)	(2,069)
Acquisition of investments in subsidiary companies	(1,511)	-
Interest received	498	592
Net cash used in investing activities	<u>(6,330)</u>	<u>(1,468)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Advances from other payables	-	175
Issuance of share capital	214	-
Dividends paid	(7,100)	-
Net repayment received from related company	-	6,713
Net repayment to related companies	(60)	-
Net cash (used in)/generated from financing activities	<u>(6,946)</u>	<u>6,888</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(972)	17,017
<b>OPENING CASH AND CASH EQUIVALENTS</b>	36,759	16,235
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<u>35,787</u>	<u>33,252</u>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	10,300	9,431
Cash and bank balances	<u>25,487</u>	<u>23,821</u>
	<u>35,787</u>	<u>33,252</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 JANUARY 2012

## 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 January 2012, the issued and paid up ordinary share capital of the Company was RM71,093,200.00. 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	420,400	210,200
As at 31 January 2012	<u>142,186,400</u>	<u>71,093,200</u>

As at 31 January 2012, the total number of unexercised ESOS was 6,462,600 shares of RM0.50 par value each.

- A6 During the financial period ended 31 January 2012, the Company paid the following dividends:
- (a) Interim dividend of 6% single-tier exempt dividend per share in respect of the financial year ended 30 April 2011 and paid on 22 July 2011.
- (b) First interim dividend of 4% single-tier exempt dividend per share in respect of the financial year ending 30 April 2012 and paid on 16 January 2012.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2012

## NOTES TO THE INTERIM FINANCIAL REPORT

A7 Segment information for the financial period ended 31 January 2012:-

**REVENUE**

	Group RM'000
Restaurants	64,458
Total revenue	<u>64,458</u>

**RESULTS**

	Group RM'000
Restaurants	11,398
Investment holding	<u>(746)</u>
	10,652
Investment related income	
- Interest income	<u>499</u>
Profit before tax	11,151
Taxation	<u>(2,364)</u>
Profit for the period	<u><u>8,787</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.
- (b) On 16 January 2012, the Group completed the acquisition of 51% equity interests in PT Boga Lestari Sentosa, via 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 Berjaya Starbucks Coffee Company Sdn Bhd as announced to Bursa Malaysia Securities Berhad on 25 August 2011.

**BERJAYA FOOD BERHAD**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2012

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

- B1 The Group is primarily engaged in developing and operating the "Kenny Rogers Roasters" chain in Malaysia, Jakarta and Tangerang in Indonesia. The key factors that affect the performance of all food and beverage businesses include mainly the festive season, tourism, eating out culture, raw material costs (chicken, side dishes etc), staff costs and diseases outbreak.

For the quarter

The Group registered a revenue of RM26.16 million and pre-tax profit of RM5.48 million in the current quarter ended 31 January 2012 as compared to a revenue of RM21.07 million and pre-tax profit of RM5.41 million in the previous year corresponding quarter. The improved revenue was mainly due to more restaurants operating in the current quarter and higher sales due to the Chinese New Year ("CNY") festivities in January 2012 (in the previous year CNY was in February 2011). The pre-tax profit of Berjaya Roasters (M) Sdn Bhd, the principal subsidiary of the Group, improved by about 6%, but this was offset by the fair value charge of the share option and other corporate exercise expenses (refer to Note A10) incurred during the quarter upon consolidating with the holding company. Nevertheless, the Group managed to record a marginal increase in pre-tax profit.

For the 9-month period

As for the 9-month period ended 31 January 2012, the Group's revenue and pre-tax profit were RM64.46 million and RM11.15 million respectively as compared to a revenue and pre-tax profit of RM54.19 million and RM10.5 million respectively in the previous year corresponding period. The higher revenue and pre-tax profit was mainly due to the increase in the number of restaurants operating during the current 9-month period as compared to the previous year corresponding period.

- B2 Third quarter vs second quarter

For the quarter under review, the Group reported an increase in revenue from RM18.18 million to RM26.16 million and pre-tax profit also increase to RM5.48 million as compared to RM1.83 million reported in the preceding quarter ended 31 October 2011.

The calendar year end festive sales, school holidays, the Christmas and Chinese New Year festivities during this third quarter contributed positively to the higher revenue and pre-tax profit for the quarter.

- B3 Future Prospects

Based on the expectation that the current level of operating costs will not increase materially, the Board of Directors is of the view that the opening of additional restaurants in the remaining quarter in accordance with its business plan for Malaysia and the completion of acquisition of PT Boga Lestari Sentosa (Indonesia) in the current quarter, would enhance the Group's performance going forward.

- B4 There is no profit forecast or profit guarantee for the financial period ended 31 January 2012.

- B5 The taxation charge for the current quarter ended 31 January 2012 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	1,171	2,435
- Over provision in prior year	-	(71)
- Deferred tax	-	-
	<u>1,171</u>	<u>2,364</u>

The disproportionate tax charge of the Group for the current quarter/period ended 31 January 2012 was mainly due to utilisation of certain tax relief.



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2012  
 ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B6 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.

B7 The Group does not have any borrowings and debt securities as at 31 January 2012.

B8 There were no material litigation for the current financial period.

B9 The Board does not recommend any dividend for the current quarter under review (previous year corresponding quarter ended 31 January 2011 : Nil). The total dividend declared for the financial period ended 31 January 2012 amounted to 4% single-tier exempt dividend, which was declared on 8 December 2011 (9 months ended 31 January 2011: Nil).

B10 Profit before tax is stated after charging/(crediting):

	For the current quarter RM'000	Financial year to date RM'000
Interest income	166	499
Dividend income	-	-
Other income excluding dividend and interest income	-	-
Gain on disposal of property, plant and equipment	-	46
Depreciation of property, plant and equipment	1,293	3,647
Amortisation of intangible assets	-	-
Impairment loss on receivables	-	-
Impairment on value of AFS quoted investments	-	-
Provision for and written off of inventories	-	-
Foreign exchange gain or loss	1	(1)
Gain or loss on derivatives	-	-
	<u>-</u>	<u>-</u>

B11 Realised and unrealised earnings of the Group is analysed as follows:

	As at 31/01/2012 RM'000	As at 30/04/2011 RM'000
Total retained earnings of the Company and its subsidiary companies:		
- realised	36,952	35,334
- unrealised	(1,890)	(1,954)
	<u>35,062</u>	<u>33,380</u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2012

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B12 The basic and diluted earnings per share are calculated as follows:

	Group (3-month period)			
	31/01/2012	31/01/2011	31/01/2012	31/01/2011
	RM'000		sen	
Net profit for the quarter (RM'000)	<u>4,300</u>	<u>4,301</u>		
Weighted average number of ordinary shares in issue ('000)	<u>142,136</u>	<u>141,348</u>		
Basic earnings per share (Sen)			<u>3.03</u>	<u>3.04</u>
Net profit for the quarter (RM000)	<u>4,300</u>	<u>4,301</u>		
Weighted average number of ordinary shares in issue ('000)	142,136	141,348		
Dilutive employee share options ('000)	<u>3,354</u>	<u>-</u>		
	<u>145,490</u>	<u>141,348</u>		
Dilutive earnings per share (Sen)			<u>2.96</u>	<u>3.04</u>
	Group (9-month period)			
	31/01/2012	31/01/2011	31/01/2012	31/01/2011
	RM'000		sen	
Net profit for the period	<u>8,782</u>	<u>8,086</u>		
Weighted average number of ordinary shares in issue ('000)	<u>142,017</u>	<u>141,348</u>		
Basic earnings per share (Sen)			<u>6.18</u>	<u>5.72</u>
Net profit for the period	<u>8,782</u>	<u>8,086</u>		
Weighted average number of ordinary shares in issue ('000)	142,017	141,348		
Dilutive employee share options ('000)	<u>3,354</u>	<u>-</u>		
	<u>145,371</u>	<u>141,348</u>		
Dilutive earnings per share (Sen)			<u>6.04</u>	<u>5.72</u>

c.c. Securities Commission