

Berjaya Food Berhad

Company No: 876057-U

Date: 13 June 2012

Subject: **UNAUDITED INTERIM FINANCIAL REPORT FOR
THE PERIOD ENDED 30 APRIL 2012**

	Page
Table of contents	
Condensed Consolidated Statement of Comprehensive Income	1
Condensed Consolidated Statement of Financial Position	2
Condensed Consolidated Statement of Changes in Equity	3
Condensed Consolidated Statement of Cash Flows	4
Notes to the Unaudited Interim Financial Report	5 - 6
Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR")	7 - 9

BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter		Financial Year To Date	
	3 months ended		12 months ended	
	30/04/2012	30/04/2011	30/04/2012	30/04/2011
	RM'000	RM'000	RM'000	RM'000
				(Audited)
REVENUE	24,140	17,752	88,598	71,938
PROFIT FROM OPERATIONS	3,330	2,354	13,982	11,867
Investment related income	158	116	657	708
PROFIT BEFORE TAX	3,488	2,470	14,639	12,575
TAXATION	(1,075)	35	(3,439)	(2,382)
PROFIT AFTER TAX	2,413	2,505	11,200	10,193
OTHER COMPREHENSIVE ITEMS	(159)	-	(190)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>2,254</u>	<u>2,505</u>	<u>11,010</u>	<u>10,193</u>
PROFIT ATTRIBUTABLE TO:				
- Equity holders of the Company	2,567	2,505	11,349	10,193
- Non-controlling interests	(154)	-	(149)	-
	<u>2,413</u>	<u>2,505</u>	<u>11,200</u>	<u>10,193</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Equity holders of the Company	2,487	2,505	11,254	10,193
- Non-controlling interests	(233)	-	(244)	-
	<u>2,254</u>	<u>2,505</u>	<u>11,010</u>	<u>10,193</u>
EARNINGS PER SHARE (SEN)				
-Basic, for the period	1.80	1.77	7.99	7.21
-Diluted, for the period	<u>1.77</u>	<u>1.77</u>	<u>7.86</u>	<u>7.06</u>

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

BERJAYA FOOD BERHADUNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2012
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30/04/2012	As at 30/04/2011 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,646	19,010
Intangible assets	1,340	986
	<u>25,986</u>	<u>19,996</u>
Current Assets		
Inventories	3,803	2,333
Trade and other receivables	13,704	5,194
Deposits with financial institutions	8,800	10,300
Cash and bank balances	25,784	26,459
	<u>52,091</u>	<u>44,286</u>
TOTAL ASSETS	<u>78,077</u>	<u>64,282</u>
EQUITY AND LIABILITIES		
Share capital	71,738	70,883
Reserves	(15,445)	(20,090)
	<u>56,293</u>	<u>50,793</u>
Non-controlling interests	2,525	-
Equity funds	<u>58,818</u>	<u>50,793</u>
Non-current liabilities		
Deferred taxation	1,866	1,954
Provisions for restoration costs	1,472	1,028
	<u>3,338</u>	<u>2,982</u>
Current Liabilities		
Payables and provisions	14,991	10,296
Taxation	930	211
	<u>15,921</u>	<u>10,507</u>
Total Liabilities	<u>19,259</u>	<u>13,489</u>
TOTAL EQUITY AND LIABILITIES	<u>78,077</u>	<u>64,282</u>
Basic net assets per share (sen)	39.24	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 30 APRIL 2012
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Company						Total equity RM'000	Non- controlling interests RM'000	Total equity RM'000
	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			
At 1 May 2011	70,883	1,374	243	-	(55,087)	33,380	50,793	-	50,793
Total comprehensive income	-	-	-	(95)	-	11,349	11,254	(244)	11,010
<u>Transactions with owners</u>									
ESOS options exercised	855	308	(617)	-	-	-	546	-	546
Share-based payment under ESOS	-	-	801	-	-	-	801	-	801
Interim dividend *	-	-	-	-	-	(4,257)	(4,257)	-	(4,257)
Interim dividend #	-	-	-	-	-	(2,844)	(2,844)	-	(2,844)
Acquisition of a subsidiary company	-	-	-	-	-	-	-	2,769	2,769
At 30 April 2012	<u>71,738</u>	<u>1,682</u>	<u>427</u>	<u>(95)</u>	<u>(55,087)</u>	<u>37,628</u>	<u>56,293</u>	<u>2,525</u>	<u>58,818</u>
At 1 May 2010	70,674	1,413	-	-	(55,087)	23,187	40,187	-	40,187
Total comprehensive income	-	-	-	-	-	10,193	10,193	-	10,193
<u>Transactions with owners</u>									
Share issuance expenses	-	(117)	-	-	-	-	(117)	-	(117)
ESOS granted	-	-	314	-	-	-	314	-	314
ESOS options exercised	209	78	(71)	-	-	-	216	-	216
At 30 April 2011	<u>70,883</u>	<u>1,374</u>	<u>243</u>	<u>-</u>	<u>(55,087)</u>	<u>33,380</u>	<u>50,793</u>	<u>-</u>	<u>50,793</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 ended 30 April 2012.

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

BERJAYA FOOD BERHADUNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2012
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended	
	30/04/2012	30/04/2011
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	90,135	71,887
Payments for operating expenses	(75,741)	(53,184)
Payment of tax	(2,720)	(1,791)
Net cash generated from operating activities	<u>11,674</u>	<u>16,912</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	123	83
Acquisition of property, plant and equipment	(8,340)	(4,240)
Acquisition of investment in a subsidiary company	(1,532)	-
Interest received	657	708
Repayment from holding company	-	7,069
Net cash (used in)/generated from investing activities	<u>(9,092)</u>	<u>3,620</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital	872	213
Issuance of share capital to non-controlling interests of a subsidiary company	1,472	-
Dividends paid	(7,101)	-
Repayment to related companies	-	(221)
Net cash used in financing activities	<u>(4,757)</u>	<u>(8)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(2,175)</u>	<u>20,524</u>
OPENING CASH AND CASH EQUIVALENTS	<u>36,759</u>	<u>16,235</u>
CLOSING CASH AND CASH EQUIVALENTS	<u><u>34,584</u></u>	<u><u>36,759</u></u>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	8,800	10,300
Cash and bank balances	25,784	26,459
	<u><u>34,584</u></u>	<u><u>36,759</u></u>

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

BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 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 Group's operations are affected by major festive seasons and school holidays.
- A3 There was no unusual items during the financial period under review.
- A4 As at 30 April 2012, the issued and paid up ordinary share capital of the Company was RM71,738,150.00. 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	1,710,300	855,150
As at 30 April 2012	<u>143,476,300</u>	<u>71,738,150</u>

As at 30 April 2012, the total number of unexercised ESOS was 5,080,700 shares of RM0.50 par value each.

- A5 During the financial period ended 30 April 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 ended 30 April 2012 and paid on 16 January 2012.

BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2012

NOTES TO THE INTERIM FINANCIAL REPORT

A6 Segment information for the financial year ended 30 April 2012:-

	Group RM'000
REVENUE	
Restaurants	88,598
Total revenue	<u>88,598</u>
RESULTS	
Restaurants	15,326
Investment holding	<u>(1,344)</u>
	13,982
Investment related income	
- Interest income	<u>657</u>
Profit before tax	14,639
Taxation	<u>(3,439)</u>
Profit for the year	<u><u>11,200</u></u>

A7 Save as disclosed, there were no significant events since the end of this current quarter up to the date of this announcement.

A8 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 ("PTBoga"), via Berjaya Food (International) Sdn Bhd.

A9 There were no material changes in contingent liabilities or contingent assets since the last audited statement of financial position as at 30 April 2011.

A10 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 ("BStarbucks") as announced to Bursa Malaysia Securities Berhad on 25 August 2011.

BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 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 RM24.14 million and pre-tax profit of RM3.49 million in the current quarter ended 30 April 2012 as compared to a revenue of RM17.75 million and pre-tax profit of RM2.47 million in the previous year corresponding quarter. The improved revenue was mainly due to more restaurants operating in the current quarter and the effect of consolidating the revenue of PTBoga (Indonesia). The pre-tax profit of Berjaya Roasters (M) Sdn Bhd, the principal subsidiary of the Group, increased by 75%, but this was partly offset by the fair value charge of the share option, other corporate exercise expenses (refer to Note A8) incurred during the quarter upon consolidating with the holding company and the impairment of certain plant and equipment arising from rationalisation and relocation as well as refurbishment of certain restaurants. In spite of the foregoing, the Group managed to record a 41% increase in pre-tax profit.

For the financial year

As for the financial year ended 30 April 2012, the Group's revenue and pre-tax profit were RM88.6 million and RM14.64 million respectively as compared to a revenue and pre-tax profit of RM71.94 million and RM12.57 million respectively in the previous year. The higher revenue and pre-tax profit was mainly due to the increase in the number of restaurants operating during the current financial year as compared to the previous year.

B2 Fourth quarter vs third quarter

For the quarter under review, the Group reported a decrease in revenue from RM26.16 million to RM24.14 million and pre-tax profit also decrease to RM3.49 million as compared to RM5.48 million reported in the preceding quarter ended 31 January 2012.

The much higher revenue and pre-tax profits in the third quarter was due to the calendar year end festive sales, school holidays, the Christmas and Chinese New Year festivities, which all happened during the previous 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 next financial year in accordance with its business plan for Malaysia and Indonesia as well as the impending completion of the proposed acquisition of BStarbucks will likely enhance the Group's performance going forward.

- B4 There is no profit forecast or profit guarantee for the financial period ended 30 April 2012.

- B5 The taxation charge for the current quarter ended 30 April 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	1,075	3,510
- Over provision in prior year	-	(71)
- Deferred tax	-	-
	<u>1,075</u>	<u>3,439</u>

The disproportionate tax charge of the Group for the current quarter/period ended 30 April 2012 was mainly due to utilisation of certain tax relief.

BERJAYA FOOD BERHADUNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 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 ("Proposed Acquisition"). The Proposed Acquisition has been approved by the shareholders of the Company ("BFood") at the Extraordinary General Meeting held on 11 June 2012.
- (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 together with up to 118,944,800 free detachable warrants ("Warrants") on the basis of four (4) Rights Shares together with four (4) 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 ("Proposed Rights Issue"). The exercise price of the Warrant is RM0.70 for every one new BFood share.

The approvals from Bank Negara Malaysia, Bursa Malaysia Securities Berhad and shareholders of BFood have been obtained in relation to the Proposed Rights Issue. The Proposed Rights Issue is now pending implementation (including clearance of the documentation and related matters by the relevant authority).

B7 The Group does not have any borrowings and debt securities as at 30 April 2012.

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

B9 The Board has recommended a second interim dividend of 5% per RM0.50 share in respect of financial year ended 30 April 2012 (previous year corresponding quarter ended 30 April 2011: 6% single-tier exempt dividend per share) and payable on 25 July 2012. The total dividend declared for the financial year ended 30 April 2012 amounted to 9% single-tier exempt dividend. (previous corresponding financial year ended 30 April 2011: 6% single-tier exempt dividend per share).

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 29 June 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.

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

	For the current quarter RM'000	Financial year to date RM'000
Interest income	(158)	(657)
Dividend income	-	-
Other income excluding dividend and interest income	-	-
Gain on disposal of property, plant and equipment	-	(46)
Write off of property, plant and equipment	534	534
Depreciation of property, plant and equipment	1,554	5,201
Amortisation of intangible assets	-	-
Impairment loss on receivables	-	-
Impairment on value of AFS quoted investments	-	-
Provision for and write off of inventories	-	-
Foreign exchange gain or loss	2	3
Gain or loss on derivatives	-	-

BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2012

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

	As at 30/04/2012 RM'000	As at 30/04/2011 RM'000
Total retained earnings of the Company and its subsidiary companies:		
- realised	39,494	35,334
- unrealised	<u>(1,866)</u>	<u>(1,954)</u>
	<u><u>37,628</u></u>	<u><u>33,380</u></u>

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

	Group (3-month period)			
	30/04/2012 RM'000	30/04/2011	30/04/2012 sen	30/04/2011
Net profit for the quarter (RM'000)	<u>2,567</u>	<u>2,505</u>		
Weighted average number of ordinary shares in issue ('000)	<u>142,459</u>	<u>141,348</u>		
Basic earnings per share (Sen)			<u>1.80</u>	<u>1.77</u>
Net profit for the quarter (RM000)	<u>2,567</u>	<u>2,505</u>		
Weighted average number of ordinary shares in issue ('000)	142,459	141,441		
Dilutive employee share options ('000)	<u>2,451</u>	<u>455</u>		
	<u>144,910</u>	<u>141,896</u>		
Dilutive earnings per share (Sen)			<u>1.77</u>	<u>1.77</u>
	Group (12-month period)			
	30/04/2012 RM'000	30/04/2011	30/04/2012 sen	30/04/2011
Net profit for the year	<u>11,349</u>	<u>10,193</u>		
Weighted average number of ordinary shares in issue ('000)	<u>142,126</u>	<u>141,348</u>		
Basic earnings per share (Sen)			<u>7.99</u>	<u>7.21</u>
Net profit for the year	<u>11,349</u>	<u>10,193</u>		
Weighted average number of ordinary shares in issue ('000)	142,017	141,371		
Dilutive employee share options ('000)	<u>2,451</u>	<u>2,996</u>		
	<u>144,468</u>	<u>144,367</u>		
Dilutive earnings per share (Sen)			<u>7.86</u>	<u>7.06</u>

c.c. Securities Commission