

Berjaya Food Berhad

Company No: 876057-U

Date: 13 December 2012

Subject: **UNAUDITED INTERIM FINANCIAL REPORT FOR
THE PERIOD ENDED 31 OCTOBER 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 - 10

BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter		Financial Year To Date	
	3 months ended		6 months ended	
	31/10/2012	31/10/2011	31/10/2012	31/10/2011
	RM'000	RM'000	RM'000	RM'000
REVENUE	23,568	18,177	48,308	38,294
PROFIT FROM OPERATIONS	1,536	1,668	4,010	5,342
Investment related income	142	164	301	333
Share of results of jointly controlled entity	2,302	-	2,667	-
PROFIT BEFORE TAX	3,980	1,832	6,978	5,675
TAXATION	(330)	(208)	(1,170)	(1,193)
PROFIT AFTER TAX	3,650	1,624	5,808	4,482
OTHER COMPREHENSIVE ITEMS	(235)	-	(208)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,415	1,624	5,600	4,482
PROFIT ATTRIBUTABLE TO:				
- Equity holders of the Company	3,883	1,624	6,139	4,482
- Non-controlling interests	(233)	-	(331)	-
	3,650	1,624	5,808	4,482
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Equity holders of the Company	3,763	1,624	6,031	4,482
- Non-controlling interests	(348)	-	(431)	-
	3,415	1,624	5,600	4,482
EARNINGS PER SHARE (SEN)				
-Basic, for the period	1.75	1.14	3.13	3.16
-Diluted, for the period	1.40	1.12	2.44	3.10

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

BERJAYA FOOD BERHADUNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2012
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/10/2012	As at 30/04/2012 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	27,072	25,335
Investment in jointly controlled entity	74,580	-
Intangible assets	1,340	1,340
	<u>102,992</u>	<u>26,675</u>
Current Assets		
Inventories	4,801	2,952
Trade and other receivables	13,329	12,926
Deposits with financial institutions	5,800	8,800
Cash and bank balances	25,727	27,910
	<u>49,657</u>	<u>52,588</u>
TOTAL ASSETS	<u>152,649</u>	<u>79,263</u>
EQUITY AND LIABILITIES		
Share capital	129,572	71,738
Reserves	3,302	(15,667)
	<u>132,874</u>	<u>56,071</u>
Non-controlling interests	2,102	2,533
Equity funds	<u>134,976</u>	<u>58,604</u>
Non-current liabilities		
Deferred taxation	1,909	1,904
Provisions for restoration costs	2,046	2,085
	<u>3,955</u>	<u>3,989</u>
Current Liabilities		
Payables and provisions	12,790	15,488
Taxation	928	1,182
	<u>13,718</u>	<u>16,670</u>
Total Liabilities	<u>17,673</u>	<u>20,659</u>
TOTAL EQUITY AND LIABILITIES	<u>152,649</u>	<u>79,263</u>
Basic net assets per share (sen)	51.27	39.08
Dilutive net assets per share (sen)	56.96	39.49

Note:

The net assets per share is calculated based on the following:

Basic: Equity funds less non-controlling interests divided by the number of outstanding shares in issue with voting rights.

Dilutive: Equity funds less non-controlling interests divided by the number of outstanding shares in issue with voting rights and the potential issue of new shares pursuant to the exercise of the Company's outstanding Warrants and unexercised ESOS.

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 2012
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Company									
	Share capital RM'000	Non-distributable					Distributable	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
		Share premium RM'000	ESOS * reserve RM'000	Warrant reserve RM'000	Exchange reserve RM'000	Merger deficit RM'000	Retained earnings RM'000			
At 1 May 2012	71,738	1,682	427	-	(94)	(55,087)	37,405	56,071	2,533	58,604
Total comprehensive income	-	-	-	-	(108)	-	6,139	6,031	(431)	5,600
<u>Transactions with owners</u>										
Rights issue	57,541	-	-	21,866	-	-	(4,604)	74,803	-	74,803
Rights issue expenses	-	(884)	-	-	-	-	-	(884)	-	(884)
ESOS options exercised	204	75	(71)	-	-	-	-	208	-	208
Warrants exercised	89	69	-	(34)	-	-	-	124	-	124
Share-based payment under ESOS	-	-	110	-	-	-	-	110	-	110
Interim dividend #	-	-	-	-	-	-	(3,589)	(3,589)	-	(3,589)
At 31 October 2012	<u>129,572</u>	<u>942</u>	<u>466</u>	<u>21,832</u>	<u>(202)</u>	<u>(55,087)</u>	<u>35,351</u>	<u>132,874</u>	<u>2,102</u>	<u>134,976</u>
At 1 May 2011	70,883	1,374	243	-	-	(55,087)	33,380	50,793	-	50,793
Total comprehensive income	-	-	-	-	-	-	4,482	4,482	-	4,482
<u>Transactions with owners</u>										
ESOS options exercised	138	47	(44)	-	-	-	-	141	-	141
Share-based payment under ESOS	-	-	253	-	-	-	-	253	-	253
Interim dividend @	-	-	-	-	-	-	(4,257)	(4,257)	-	(4,257)
At 31 October 2011	<u>71,021</u>	<u>1,421</u>	<u>452</u>	<u>-</u>	<u>-</u>	<u>(55,087)</u>	<u>33,605</u>	<u>51,412</u>	<u>-</u>	<u>51,412</u>

Second interim dividend of 2.5 sen single-tier exempt dividend per share in respect of financial year ended 30 April 2012.

@ First interim dividend of 3 sen single-tier exempt dividend per share in respect of financial year ended 30 April 2011.

* ESOS - Employees' Share Option Scheme

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

BERJAYA FOOD BERHADUNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2012
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	31/10/2012	31/10/2011
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	49,076	38,740
Payments for operating expenses	(45,916)	(34,355)
Payment of tax	(2,244)	-
Net cash generated from operating activities	<u>916</u>	<u>4,385</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	83	158
Acquisition of property, plant and equipment	(5,084)	(4,521)
Acquisition of investment in a jointly controlled entity	(17,047)	-
Interest received	301	333
Net cash used in investing activities	<u>(21,747)</u>	<u>(4,030)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital	20,270	141
Dividends paid	(3,589)	(4,257)
Payment of rights issue expenses	(884)	-
Repayment from related companies	-	182
Net cash generated from/(used in) financing activities	<u>15,797</u>	<u>(3,934)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(5,034)</u>	<u>(3,579)</u>
OPENING CASH AND CASH EQUIVALENTS	36,710	36,759
Effect of exchange rate changes	(149)	-
CLOSING CASH AND CASH EQUIVALENTS	<u><u>31,527</u></u>	<u><u>33,180</u></u>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	5,800	10,300
Cash and bank balances	<u>25,727</u>	<u>22,880</u>
	<u><u>31,527</u></u>	<u><u>33,180</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 31 OCTOBER 2012

NOTES TO THE INTERIM FINANCIAL REPORT

- A1 The condensed consolidated interim financial report is unaudited and has been prepared in accordance with MFRS 134, Interim Financial Reporting Standards in Malaysia and IAS 34, Interim Financial Reporting and applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 April 2012. These explanatory notes, attached to the condensed consolidated interim financial report, provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 April 2012.

Since the issue of the previous annual audited financial statements as at 30 April 2012, the Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by the MASB with effect from 1 May 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standards ("FRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board. Whilst all FRSs issued under the previous FRS framework were equivalent to the MFRSs issued under the MFRS framework, there are some differences in relation to the transitional provisions and effective dates contained in certain of the FRSs.

These consolidated condensed interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 30 April 2013 and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS1) has been applied. The transition from FRS to MFRS has no material impact on the statement of financial position and statement of cash flows.

- A2 The Group's operations are affected by major festive seasons and school holidays as well as the Muslim fasting month.
- A3 There was no unusual items during the financial period under review.
- A4 As at 31 October 2012, the issued and paid up ordinary share capital of the Company was RM129,571,920.00. 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 2012	143,476,300	71,738,150
Rights issue - allotted on 9 August 2012	115,081,760	57,540,880
ESOS exercised	407,900	203,950
Warrants exercised	177,880	88,940
As at 31 October 2012	<u>259,143,840</u>	<u>129,571,920</u>

ESOS

As at 31 October 2012, the total number of unexercised ESOS was 4,449,800 shares of RM0.50 each.

5-year Warrants 2012/2017 ("Warrants")

On 9 August 2012, 115,081,760 Warrants were issued by the Company to the subscribers of the rights issue of the Company's ordinary shares. Each of the Warrant entitles the holder to subscribe for one ordinary share of RM0.50 each at an exercise price of RM0.70 per share. During the financial period, 177,880 shares have been issued pursuant to the exercise of the Warrants. As at the end of the period, there was a total of 114,903,880 Warrants outstanding.

- A5 During the financial period ended 31 July 2012, the Company paid a second interim dividend of 2.5 sen per share single-tier dividend in respect of the financial year ended 30 April 2012 on 25 July 2012.

BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2012

NOTES TO THE INTERIM FINANCIAL REPORT

A6 Segment information for the financial period ended 31 October 2012:-

	Group RM'000
REVENUE	
Malaysia	43,257
Indonesia	<u>5,051</u>
Total revenue	<u><u>48,308</u></u>
	Group RM'000
RESULTS	
Malaysia	5,300
Indonesia	<u>(606)</u>
	4,694
Unallocated corporate expenses	<u>(684)</u>
	4,010
Investment related income	
- Interest income	301
Share of results of jointly controlled entity	<u>2,667</u>
Profit before tax	6,978
Taxation	<u>(1,170)</u>
Profit for the year	<u><u>5,808</u></u>

A7 There were no significant events since the end of this current quarter up to the date of this announcement except for the following:

- (a) On 7 December 2012, the Group completed the acquisition of 100% equity interest in Jollibean Foods Pte Ltd ("Jollibean"), a Singapore-incorporated company, for a cash consideration of SGD7.5 million (or about RM19.02 million). Jollibean is principally engaged in the operations of retail outlets of its various brands.

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 19 July 2012, the Company completed the acquisition of 50% equity interest in Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") from Berjaya Group Berhad ("BGroup") for a cash consideration of about RM71.7 million.

A9 There were no material changes in contingent liabilities or contingent assets since the last audited statement of financial position as at 30 April 2012.

A10 There were no material changes in capital commitment since the last audited statement of financial position as at 30 April 2012 other than as disclosed in Note A8.

BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 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, and Java island and Bali 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.

Current quarter vs preceding year same quarter

The Group registered a revenue of RM23.57 million and pre-tax profit of RM3.98 million in the current quarter ended 31 October 2012 as compared to a revenue of RM18.18 million and pre-tax profit of RM1.83 million in the previous year corresponding quarter. The improved revenue was mainly due to additional restaurants operating in the current quarter and the full effect of consolidating the revenue of PTBoga (Indonesia). The higher pre-tax profit achieved for the quarter was mainly due to the share of results from BStarbucks.

For the 6-month period

As for the 6-month period ended 31 October 2012, the Group's revenue and pre-tax profit were RM48.31 million and RM6.98 million as compared to a revenue and pre-tax profit of RM38.29 million and RM5.68 million respectively in the previous year corresponding period. The higher revenue 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. The increase in pre-tax profit was mainly due to share of results from BStarbucks.

B2 Second quarter vs First quarter

For the current quarter under review, the Group reported a slight decrease in revenue from RM24.74 million to RM23.57 million but pre-tax profit increased from RM3.00 million to RM3.98 million.

The lower revenue was mainly due to the Muslim fasting month season which commenced towards the last week of the first quarter and continued to the current quarter. However, with the sharing of the full 3 months results of BStarbucks, of which its acquisition was completed in mid-July 2012, the Group achieved a higher pre-tax profit as compared to the previous quarter.

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 Indonesia and the share of results from BStarbucks will likely enhance the Group's performance going forward.

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

- B5 The taxation charge for the current quarter ended 31 October 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	330	1,170
- Deferred tax	-	-
	<u>330</u>	<u>1,170</u>

The disproportionate tax charge of the Group for the current quarter ended 31 October 2012 was mainly due to non-availability of Group tax relief in respect of certain losses incurred by subsidiary companies.

BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2012

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B6 There has been no further corporate proposals other than those disclosed in Note 31 to the audited financial statements of the Company for the financial year ended 30 April 2012 .

During the current financial period, the Company completed the rights issue of BFood shares and raised proceeds of about RM74.80 million. The actual cash proceeds received from the rights issue was about RM19.94 million as the rights subscription monies payable by BGroup pursuant to the rights issue was set-off entirely against part of the purchase consideration for the acquisition of BStarbucks. The proceeds were utilised in the following manner as set out in the Abridged Prospectus ("AP") dated 16 July 2012:

	Proposed utilisation as per AP (Maximum Scenario) RM'000	Actual utilisation RM'000	Variance +/-) RM'000
Acquisition of BStarbucks	71,698	71,698	-
Working capital	3,616	1,488	(2,128)
Payment of expenses relating to the Rights Issue and acquisition of BStarbucks up to 31 October 2012	<u>2,000</u>	<u>1,617</u>	<u>(383)</u>
Total	<u><u>77,314</u></u>	<u><u>74,803</u></u>	<u><u>(2,511)</u></u>

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

B8 There were no material litigations for the current quarter.

B9 The Board has recommended a first interim dividend of 1.5 sen single-tier exempt dividend per share (previous year corresponding quarter ended 31 October 2011: 2 sen single-tier exempt dividend per share) in respect of financial year ending 30 April 2013 to be payable on 30 January 2013. The entitlement date has been fixed on 21 January 2013.

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

- Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 21 January 2013 in respect of ordinary transfers.
- 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	(142)	(301)
Dividend income	-	-
Other income excluding dividend and interest income	-	-
Gain on disposal of property, plant and equipment	(34)	(81)
Write off of property, plant and equipment	-	-
Depreciation of property, plant and equipment	1,635	3,228
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	(4)	8
Gain or loss on derivatives	<u>-</u>	<u>-</u>

BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2012

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

	As at 31/10/2012 RM'000	As at 30/04/2012 RM'000
Total retained earnings of the Company and its subsidiary companies:		
- realised	34,593	39,309
- unrealised	<u>(1,909)</u>	<u>(1,904)</u>
	32,684	37,405
Add: Consolidation adjustments	2,667	-
Total group retained earnings as per consolidated accounts	<u><u>35,351</u></u>	<u><u>37,405</u></u>

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

	Group (3-month period)			
	31/10/2012 RM'000	31/10/2011	31/10/2012 Sen	31/10/2011
Net profit for the quarter (RM'000)	<u>3,883</u>	<u>1,624</u>		
Weighted average number of ordinary shares in issue ('000)	<u>222,478</u>	<u>142,018</u>		
Basic earnings per share (Sen)			<u>1.75</u>	<u>1.14</u>
Net profit for the quarter (RM000)	<u>3,883</u>	<u>1,624</u>		
Number of shares used in the calculation of basic earnings per share ('000)	222,478	142,018		
Number of shares assuming exercise of employee share options ('000)	2,690	2,823		
Number of shares assuming exercise of warrants ('000)	<u>52,553</u>	<u>-</u>		
	<u><u>277,721</u></u>	<u><u>144,841</u></u>		
Dilutive earnings per share (Sen)			<u>1.40</u>	<u>1.12</u>

BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2012

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

	Group (6-month period)			
	31/10/2012	31/10/2011	31/10/2012	31/10/2011
	RM'000		Sen	
Net profit for the period	<u>6,139</u>	<u>4,482</u>		
Weighted average number of ordinary shares in issue ('000)	<u>196,306</u>	<u>141,958</u>		
Basic earnings per share (Sen)			<u>3.13</u>	<u>3.16</u>
Net profit for the period	<u>6,139</u>	<u>4,482</u>		
Number of shares used in the calculation of basic earnings per share ('000)	196,306	141,958		
Number of shares assuming exercise of employee share options ('000)	2,690	2,823		
Number of shares assuming exercise of warrants ('000)	<u>52,553</u>	<u>-</u>		
	<u>251,549</u>	<u>144,781</u>		
Dilutive earnings per share (Sen)			<u>2.44</u>	<u>3.10</u>

c.c. Securities Commission