

Berjaya Food Berhad

Company No: 876057-U

Date: 8 March 2013

Subject: **UNAUDITED INTERIM FINANCIAL REPORT FOR
THE PERIOD ENDED 31 JANUARY 2013**

	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 JANUARY 2013

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>Current Quarter</u>		<u>Financial Year To Date</u>	
	3 months ended		9 months ended	
	31/01/2013	31/01/2012	31/01/2013	31/01/2012
	RM'000	RM'000	RM'000	RM'000
REVENUE	38,259	26,164	86,567	64,458
PROFIT FROM OPERATIONS	5,790	5,310	9,800	10,652
Investment related income	44	166	345	499
Share of results of jointly controlled entity	3,132	-	5,799	-
PROFIT BEFORE TAX	8,966	5,476	15,944	11,151
TAXATION	(1,513)	(1,171)	(2,683)	(2,364)
PROFIT AFTER TAX	7,453	4,305	13,261	8,787
OTHER COMPREHENSIVE ITEMS	36	(31)	(172)	(31)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>7,489</u>	<u>4,274</u>	<u>13,089</u>	<u>8,756</u>
PROFIT ATTRIBUTABLE TO:				
- Equity holders of the Company	7,900	4,300	14,039	8,782
- Non-controlling interests	(447)	5	(778)	5
	<u>7,453</u>	<u>4,305</u>	<u>13,261</u>	<u>8,787</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Equity holders of the Company	7,867	4,285	13,898	8,767
- Non-controlling interests	(378)	(11)	(809)	(11)
	<u>7,489</u>	<u>4,274</u>	<u>13,089</u>	<u>8,756</u>
EARNINGS PER SHARE (SEN)				
-Basic, for the period	3.04	3.03	6.45	6.18
-Diluted, for the period	<u>2.55</u>	<u>2.96</u>	<u>5.25</u>	<u>6.04</u>

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

BERJAYA FOOD BERHADUNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2013
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/01/2013	As at 30/04/2012 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	29,896	25,335
Deferred tax assets	104	108
Investment in jointly controlled entity	76,712	-
Intangible assets	16,072	1,340
	<u>122,784</u>	<u>26,783</u>
Current Assets		
Inventories	4,860	2,952
Trade and other receivables	20,080	12,926
Deposits with financial institutions	347	8,800
Cash and bank balances	20,815	27,910
	<u>46,102</u>	<u>52,588</u>
TOTAL ASSETS	<u>168,886</u>	<u>79,371</u>
EQUITY AND LIABILITIES		
Share capital	130,255	71,738
Reserves	7,604	(15,667)
	<u>137,859</u>	<u>56,071</u>
Non-controlling interests	1,724	2,533
Equity funds	<u>139,583</u>	<u>58,604</u>
Non-current liabilities		
Deferred taxation	2,012	2,012
Provisions for restoration costs	2,376	2,085
	<u>4,388</u>	<u>4,097</u>
Current Liabilities		
Payables and provisions	22,811	15,488
Taxation	2,104	1,182
	<u>24,915</u>	<u>16,670</u>
Total Liabilities	<u>29,303</u>	<u>20,767</u>
TOTAL EQUITY AND LIABILITIES	<u>168,886</u>	<u>79,371</u>
Basic net assets per share (sen)	52.92	39.08
Dilutive net assets per share (sen)	58.02	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 JANUARY 2013
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	-	-	-	-	(141)	-	14,039	13,898	(809)	13,089	
<u>Transactions with owners</u>											
Rights issue	57,541	-	-	21,866	-	-	(4,604)	74,803	-	74,803	
Rights issue expenses	-	(876)	-	-	-	-	-	(876)	-	(876)	
ESOS options exercised	213	78	(74)	-	-	-	-	217	-	217	
Warrants exercised	763	595	-	(290)	-	-	-	1,068	-	1,068	
Share-based payment under ESOS	-	-	174	-	-	-	-	174	-	174	
Interim dividend #	-	-	-	-	-	-	(3,589)	(3,589)	-	(3,589)	
Interim dividend @	-	-	-	-	-	-	(3,907)	(3,907)	-	(3,907)	
At 31 January 2013	<u>130,255</u>	<u>1,479</u>	<u>527</u>	<u>21,576</u>	<u>(235)</u>	<u>(55,087)</u>	<u>39,344</u>	<u>137,859</u>	<u>1,724</u>	<u>139,583</u>	
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 January 2012	<u>71,093</u>	<u>1,448</u>	<u>554</u>	<u>-</u>	<u>(15)</u>	<u>(55,087)</u>	<u>35,062</u>	<u>53,055</u>	<u>1,250</u>	<u>54,305</u>	

Second interim dividend of 2.5 sen or 5% single-tier exempt dividend per share in respect of financial year ended 30 April 2012.

@ First interim dividend of 1.5 sen or 3% single-tier exempt dividend per share in respect of financial year ending 30 April 2013.

* 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 JANUARY 2013
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended	
	31/01/2013	31/01/2012
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	112,386	64,665
Payments for operating expenses	(95,899)	(52,362)
Payment of tax	(3,514)	-
Net cash generated from operating activities	<u>12,973</u>	<u>12,303</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	218	161
Acquisition of property, plant and equipment	(8,944)	(5,478)
Acquisition of investment in subsidiary	(17,042)	(1,511)
Acquisition of investment in a jointly controlled entity	(17,047)	-
Interest received	345	499
Dividend received from a jointly controlled entity	1,000	-
Net cash used in investing activities	<u>(41,470)</u>	<u>(6,329)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital	21,222	214
Dividends paid	(7,496)	(7,100)
Payment of rights issue expenses	(876)	-
Repayment to related companies	-	(60)
Net cash generated from/(used in) financing activities	<u>12,850</u>	<u>(6,946)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(15,647)</u>	<u>(972)</u>
OPENING CASH AND CASH EQUIVALENTS	36,710	36,759
Effect of exchange rate changes	99	-
CLOSING CASH AND CASH EQUIVALENTS	<u>21,162</u>	<u>35,787</u>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	347	10,300
Cash and bank balances	20,815	25,487
	<u>21,162</u>	<u>35,787</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 JANUARY 2013

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 January 2013, the issued and paid up ordinary share capital of the Company was RM130,254,620.00. 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	425,900	212,950
Warrants exercised	1,525,280	762,640
As at 31 January 2013	<u>260,509,240</u>	<u>130,254,620</u>

ESOS

As at 31 January 2013, the total number of unexercised ESOS was 4,431,800 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, 1,525,280 shares have been issued pursuant to the exercise of the Warrants. As at the end of the period, there was a total of 113,556,480 Warrants outstanding.

BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2013

NOTES TO THE INTERIM FINANCIAL REPORT

A5 During the financial period ended 31 January 2013, the Company paid a second interim dividend of 2.5 sen or 5% per share single-tier dividend in respect of the financial year ended 30 April 2012 on 25 July 2012, and a first interim dividend of 1.5 sen or 3% per share single-tier dividend in respect of the financial year ending 30 April 2013 on 30 January 2013.

A6 Segment information for the financial period ended 31 January 2013:-

	Group RM'000
REVENUE	
Malaysia	72,294
Indonesia	7,799
Singapore	6,474
Total revenue	<u>86,567</u>
RESULTS	Group RM'000
Malaysia	11,717
Indonesia	(1,508)
Singapore	733
	<u>10,942</u>
Unallocated corporate expenses	<u>(1,059)</u>
	9,883
Investment related income	
- Interest income	345
Share of results of jointly controlled entity	<u>5,799</u>
Profit before tax	16,027
Taxation	<u>(2,683)</u>
Profit for the period	<u>13,344</u>

A7 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 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 consideration of about RM71.7 million.
- (b) 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.

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.

BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2013

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 as well as other various brands in Singapore. 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 and soya bean etc), staff costs and diseases outbreak.

Current quarter vs preceding year same quarter

The Group registered a revenue of RM38.26 million and pre-tax profit of RM8.97 million in the current quarter ended 31 January 2013 as compared to a revenue of RM26.16 million and pre-tax profit of RM5.48 million reported in the previous year corresponding quarter. The higher revenue was mainly due to additional restaurants operating in the current quarter, the full effect of consolidating the revenue of PT Boga Lestari Sentosa ("PTBoga") for the quarter as well as consolidating the revenue of the newly acquired subsidiary, Jollibean (effective December 2012). The higher pre-tax profit achieved for the quarter was mainly due to the share of results from BStarbucks and higher profit contribution from the principal subsidiary, Berjaya Roasters (M) Sdn Bhd.

For the 9-month period

As for the 9-month period ended 31 January 2013, the Group's revenue and pre-tax profit were RM86.57 million and RM15.94 million as compared to a revenue and pre-tax profit of RM64.46 million and RM11.15 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 9-month period as compared to the previous year corresponding period, consolidation of the revenue of Jollibean (effective December 2012) as well as the full effect of consolidating the revenue of PTBoga. The increase in pre-tax profit was mainly due to the share of results from BStarbucks.

B2 Third quarter vs Second quarter

For the current quarter under review, the Group reported an increase in revenue from RM23.57 million (second quarter ended 31 October 2012) to RM38.26 million and pre-tax profit increased from RM3.98 million (second quarter ended 31 October 2012) to RM8.97 million.

The calendar year end festive sales, school holidays and the Christmas season during the third quarter contributed positively to the higher revenue and pre-tax profit for the quarter under review as well as higher profit contribution from the jointly controlled entity, BStarbucks.

B3 Future Prospects

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 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 January 2013.

- B5 The taxation charge for the current quarter/period ended 31 January 2013 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	1,381	2,551
- Deferred tax	-	-
- Foreign tax	132	132
	<u>1,513</u>	<u>2,683</u>

The disproportionate tax charge of the Group for the current quarter/period ended 31 January 2013 was mainly due to non-availability of Group tax relief in respect of certain losses incurred by subsidiary companies as well as different foreign tax rates.

BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2013

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 January 2013	<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 January 2013.

B8 There were no material litigations for the current quarter.

B9 The Board does not recommend any dividend for the current quarter under review (previous year corresponding quarter ended 31 January 2012 : Nil). The total dividend declared for the financial period ended 31 January 2013 amounted to 1.5 sen or 3% single-tier exempt dividend, which was declared on 13 December 2012 (9 months ended 31 January 2012: 2 sen or 4% single-tier exempt dividend).

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

	For the current quarter RM'000	Financial year to date RM'000
Interest income	(44)	(345)
Dividend income	-	-
Other income excluding dividend and interest income	-	-
Gain on disposal of property, plant and equipment	-	(81)
Write off of property, plant and equipment	9	9
Depreciation of property, plant and equipment	1,867	5,095
Amortisation of intangible assets	-	-
Impairment loss on receivables	-	-
Impairment on value of AFS quoted investments	-	-
Provision for and write off of inventories	-	-
Foreign exchange loss	-	8
Gain or loss on derivatives	<u>-</u>	<u>-</u>

BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2013

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

	As at 31/01/2013 RM'000	As at 30/04/2012 RM'000
Total retained earnings of the Company and its subsidiary companies:		
- realised	35,557	39,417
- unrealised	<u>(2,012)</u>	<u>(2,012)</u>
	33,545	37,405
Add: Consolidation adjustments	5,799	-
Total group retained earnings as per consolidated accounts	<u><u>39,344</u></u>	<u><u>37,405</u></u>

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

	Group (3-month period)			
	31/01/2013 RM'000	31/01/2012	31/01/2013 Sen	31/01/2012
Net profit for the quarter (RM'000)	<u>7,900</u>	<u>4,300</u>		
Weighted average number of ordinary shares in issue ('000)	<u>260,187</u>	<u>142,136</u>		
Basic earnings per share (Sen)			<u>3.04</u>	<u>3.03</u>
Net profit for the quarter (RM000)	<u>7,900</u>	<u>4,300</u>		
Number of shares used in the calculation of basic earnings per share ('000)	260,187	142,136		
Number of shares assuming exercise of employee share options ('000)	2,549	3,354		
Number of shares assuming exercise of warrants ('000)	<u>47,315</u>	<u>-</u>		
	<u><u>310,051</u></u>	<u><u>145,490</u></u>		
Diluted earnings per share (Sen)			<u>2.55</u>	<u>2.96</u>

BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2013

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

	Group (9-month period)			
	31/1/2013	31/1/2012	31/1/2013	31/1/2012
	RM'000		Sen	
Net profit for the period	<u>14,039</u>	<u>8,782</u>		
Weighted average number of ordinary shares in issue ('000)	<u>217,600</u>	<u>142,017</u>		
Basic earnings per share (Sen)			<u>6.45</u>	<u>6.18</u>
Net profit for the period	<u>14,039</u>	<u>8,782</u>		
Number of shares used in the calculation of basic earnings per share ('000)	217,600	142,017		
Number of shares assuming exercise of employee share options ('000)	2,549	3,354		
Number of shares assuming exercise of warrants ('000)	<u>47,315</u>	<u>-</u>		
	<u>267,464</u>	<u>145,371</u>		
Diluted earnings per share (Sen)			<u>5.25</u>	<u>6.04</u>

c.c. Securities Commission