

# **Berjaya Food Berhad**

Company No: 876057-U

Date: 13 June 2013

Subject: **UNAUDITED INTERIM FINANCIAL REPORT FOR  
THE PERIOD ENDED 30 APRIL 2013**

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**BERJAYA FOOD BERHAD**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2013

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter		Financial Year To Date	
	3 months ended		12 months ended	
	30/04/2013	30/04/2012	30/04/2013	30/04/2012
	RM'000	RM'000	RM'000	RM'000
				(Audited)
REVENUE	35,348	24,140	121,915	88,598
PROFIT FROM OPERATIONS	3,250	3,330	13,050	13,978
Investment related income	37	158	382	657
Investment related expenses	(83)	-	(83)	-
Share of results of jointly controlled entity	3,281	-	9,080	-
PROFIT BEFORE TAX	6,485	3,488	22,429	14,635
TAXATION	(1,781)	(1,075)	(4,464)	(3,651)
PROFIT AFTER TAX	4,704	2,413	17,965	10,984
OTHER COMPREHENSIVE ITEMS	(172)	(159)	(344)	(188)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4,532	2,254	17,621	10,796
PROFIT ATTRIBUTABLE TO:				
- Equity holders of the Company	4,968	2,567	19,007	11,126
- Non-controlling interests	(264)	(154)	(1,042)	(142)
	4,704	2,413	17,965	10,984
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Equity holders of the Company	4,807	2,487	18,705	11,032
- Non-controlling interests	(275)	(233)	(1,084)	(236)
	4,532	2,254	17,621	10,796
EARNINGS PER SHARE (SEN)				
-Basic, for the period	1.91	1.80	8.33	7.83
-Diluted, for the period	1.56	1.77	6.66	7.71

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 2013  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30/04/2013	As at 30/04/2012 (Audited)
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	29,840	25,335
Deferred tax assets	101	108
Investment in jointly controlled entity	79,993	-
Intangible assets	15,989	1,340
	<u>125,923</u>	<u>26,783</u>
<b>Current Assets</b>		
Inventories	4,879	2,952
Trade and other receivables	20,590	12,926
Deposits with financial institutions	347	8,800
Cash and bank balances	17,907	27,910
	<u>43,723</u>	<u>52,588</u>
<b>TOTAL ASSETS</b>	<u>169,646</u>	<u>79,371</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	130,522	71,738
Reserves	12,516	(15,667)
	<u>143,038</u>	<u>56,071</u>
Non-controlling interests	1,449	2,533
<b>Equity funds</b>	<u>144,487</u>	<u>58,604</u>
<b>Non-current liabilities</b>		
Deferred taxation	2,323	2,012
Provisions for restoration costs	2,431	2,085
	<u>4,754</u>	<u>4,097</u>
<b>Current Liabilities</b>		
Payables and provisions	17,522	15,488
Taxation	2,883	1,182
	<u>20,405</u>	<u>16,670</u>
<b>Total Liabilities</b>	<u>25,159</u>	<u>20,767</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>169,646</u>	<u>79,371</u>
Basic net assets per share (sen)	54.79	39.08
Dilutive net assets per share (sen)	59.31	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 30 APRIL 2013  
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Company									
	Share capital RM'000	Share premium RM'000	ESOS * reserve RM'000	Warrant reserve RM'000	Exchange reserve RM'000	Merger deficit RM'000	Distributable Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity 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	-	-	-	-	(302)	-	19,007	18,705	(1,084)	17,621
<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	352	132	(125)	-	-	-	-	359	-	359
Warrants exercised	891	695	-	(339)	-	-	-	1,247	-	1,247
Share-based payment under ESOS	-	-	225	-	-	-	-	225	-	225
Interim dividend #	-	-	-	-	-	-	(3,589)	(3,589)	-	(3,589)
Interim dividend @	-	-	-	-	-	-	(3,907)	(3,907)	-	(3,907)
At 30 April 2013	<u>130,522</u>	<u>1,633</u>	<u>527</u>	<u>21,527</u>	<u>(396)</u>	<u>(55,087)</u>	<u>44,312</u>	<u>143,038</u>	<u>1,449</u>	<u>144,487</u>
At 1 May 2011	70,883	1,374	243	-	-	(55,087)	33,380	50,793	-	50,793
Total comprehensive income	-	-	-	-	(94)	-	11,126	11,032	(236)	10,796
<u>Transactions with owners</u>										
ESOS options exercised	855	308	(291)	-	-	-	-	872	-	872
Share-based payment under ESOS	-	-	475	-	-	-	-	475	-	475
Dividends	-	-	-	-	-	-	(7,101)	(7,101)	-	(7,101)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	1,252	1,252
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	1,517	1,517
At 30 April 2012	<u>71,738</u>	<u>1,682</u>	<u>427</u>	<u>-</u>	<u>(94)</u>	<u>(55,087)</u>	<u>37,405</u>	<u>56,071</u>	<u>2,533</u>	<u>58,604</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 ended 30 April 2013.

\* ESOS - Employees' Share Option Scheme

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 2013  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended	
	30/04/2013	30/04/2012
	RM'000	RM'000
		(Audited)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from operations	133,246	90,517
Payments for operating expenses	(116,891)	(73,579)
Payment of tax	(4,838)	(3,223)
Net cash generated from operating activities	<u>11,517</u>	<u>13,715</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	143	176
Acquisition of property, plant and equipment	(10,700)	(7,058)
Acquisition of business operations	-	(1,500)
Acquisition of investment in subsidiary	(16,469)	(1,267)
Acquisition of investment in a jointly controlled entity	(17,047)	-
Interest received	382	657
Dividend received from a jointly controlled entity	1,000	-
Net cash used in investing activities	<u>(42,691)</u>	<u>(8,992)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issuance of share capital	21,544	872
Issuance of share capital to non-controlling interests of a subsidiary company	-	1,517
Dividends paid	(7,496)	(7,101)
Proceeds from other borrowing	120	-
Payment of rights issue expenses	(876)	-
Net cash generated from/(used in) financing activities	<u>13,292</u>	<u>(4,712)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>(17,882)</u>	<u>11</u>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<u>36,710</u>	<u>36,759</u>
Effect of exchange rate changes	(574)	(60)
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<u><u>18,254</u></u>	<u><u>36,710</u></u>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	347	8,800
Cash and bank balances	<u>17,907</u>	<u>27,910</u>
	<u><u>18,254</u></u>	<u><u>36,710</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 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 ended 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 The following is the unusual item that occurred during the current quarter under review:

	Current Quarter RM'000	Financial Year to date RM'000
Impairment in goodwill	<u>(83)</u>	<u>(83)</u>

- A4 As at 30 April 2013, the issued and paid up ordinary share capital of the Company was RM130,521,820.00. The movements during the financial year 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 2012	143,476,300	71,738,150
Rights issue - allotted on 9 August 2012	115,081,760	57,540,880
ESOS exercised	704,100	352,050
Warrants exercised	1,781,480	890,740
As at 30 April 2013	<u>261,043,640</u>	<u>130,521,820</u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2013

## NOTES TO THE INTERIM FINANCIAL REPORT

**ESOS**

As at 30 April 2013, the total number of unexercised ESOS was 4,141,600 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 year, 1,781,480 shares have been issued pursuant to the exercise of the Warrants. As at the end of the financial year, there was a total of 113,300,280 Warrants outstanding.

A5 During the financial year ended 30 April 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 ended 30 April 2013 on 30 January 2013.

A6 Segment information for the financial year ended 30 April 2013:-

<b>REVENUE</b>	Group RM'000
Malaysia	95,716
Indonesia	10,882
Singapore	15,317
Total revenue	<u>121,915</u>

<b>RESULTS</b>	Group RM'000
Malaysia	15,235
Indonesia	(2,120)
Singapore	1,599
	<u>14,714</u>
Unallocated corporate expenses	<u>(1,664)</u>
	13,050
Investment related income	
- Interest income	382
Investment related expense	
- Impairment in goodwill	(83)
Share of results of jointly controlled entity	9,080
Profit before tax	<u>22,429</u>
Taxation	<u>(4,464)</u>
Profit for the year	<u>17,965</u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2013

NOTES TO THE INTERIM FINANCIAL REPORT

- 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.
  - (c) On 13 March 2013, the Company had incorporated a new wholly-owned subsidiary under the name of Berjaya Jollibean (M) 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 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 (a).



## BERJAYA FOOD BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 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 in Indonesia as well as 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 consumer perception.

### Current quarter vs preceding year same quarter

The Group registered a revenue of RM35.35 million and pre-tax profit of RM6.49 million in the current quarter ended 30 April 2013 as compared to a revenue of RM24.14 million and pre-tax profit of RM3.49 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 profit contribution from the newly acquired subsidiary, Jollibean.

### For the financial year

As for the financial year ended 30 April 2013, the Group's revenue and pre-tax profit were RM121.92 million and RM22.43 million as compared to a revenue and pre-tax profit of RM88.60 million and RM14.64 million respectively in the previous financial year. The higher revenue was mainly due to higher sales recorded as a result of additional restaurants operating during the current financial year as compared to the previous financial year, 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 Fourth quarter vs third quarter

For the current quarter under review, the Group reported a decrease in revenue from RM38.26 million (third quarter ended 31 January 2013) to RM35.35 million and pre-tax profit decreased from RM8.97 million (third quarter ended 31 January 2013) to RM6.49 million.

The much higher revenue and pre-tax profits in the third quarter was due to the calendar year end festive sales, school holidays and Christmas holiday, which all happened during the preceding quarter.

### B3 Future Prospects

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

- B4 There is no profit forecast or profit guarantee for the financial year ended 30 April 2013.

- B5 The taxation charge for the current quarter/year ended 30 April 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	2,043	4,594
- Deferred tax	311	311
- Foreign tax	121	253
- Over provision in prior years	(694)	(694)
	<u>1,781</u>	<u>4,464</u>

The disproportionate tax charge of the Group for the current quarter/year ended 30 April 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 rate.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 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 year, 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 of RM54.86 million 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 30 April 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 30 April 2013.

B8 There were no material litigations for the current quarter.

B9 The Board has recommended a second interim dividend of 2.00 sen or 4.0% single-tier exempt dividend per share in respect of financial year ended 30 April 2013 (previous year corresponding quarter ended 30 April 2012: 5% single-tier exempt dividend per share) and payable on 26 July 2013. The entitlement date has been fixed on 18 July 2013. The total dividend declared for the financial year ended 30 April 2013 amounted to 3.5 sen or 7.0% single-tier exempt dividend per share (previous corresponding financial year ended 30 April 2012: 9% single-tier exempt dividend per share).

The total dividends paid to date for the current financial year ended 30 April 2013 is approximately RM9.13 million which represents approximately 48.06% of the attributable profit of the Group for the financial year ended 30 April 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 18 July 2013 in respect of ordinary transfers.
- Shares bought on the Bursa Securities on a cum entitlement basis according to the rules of Bursa Securities.

**BERJAYA FOOD BERHAD**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2013

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

	For the current quarter RM'000	Financial year to date RM'000
Interest income	(37)	(382)
Dividend income	-	-
Other income excluding dividend and interest income	-	-
Gain on disposal of property, plant and equipment	(1)	(82)
Write off of property, plant and equipment	16	25
Depreciation of property, plant and equipment	1,937	7,032
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	7	15
Gain or loss on derivatives	-	-

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

	As at 30/04/2013 RM'000	As at 30/04/2012 RM'000
Total retained earnings of the Company and its subsidiary companies:		
- realised	37,555	39,417
- unrealised	(2,323)	(2,012)
	<u>35,232</u>	<u>37,405</u>
Add: Consolidation adjustments	9,080	-
Total group retained earnings as per consolidated accounts	<u>44,312</u>	<u>37,405</u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2013

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

	Group (3-month period)			
	30/04/2013	30/04/2012	30/04/2013	30/04/2012
	RM'000		Sen	
Net profit for the quarter (RM'000)	<u>4,968</u>	<u>2,567</u>		
Weighted average number of ordinary shares in issue ('000)	<u>260,656</u>	<u>142,459</u>		
Basic earnings per share (Sen)			<u>1.91</u>	<u>1.80</u>
Net profit for the quarter (RM'000)	<u>4,968</u>	<u>2,567</u>		
Number of shares used in the calculation of basic earnings per share ('000)	260,656	142,459		
Number of shares assuming exercise of employee share options ('000)	2,578	2,451		
Number of shares assuming exercise of warrants ('000)	<u>54,552</u>	<u>-</u>		
	<u>317,786</u>	<u>144,910</u>		
Diluted earnings per share (Sen)			<u>1.56</u>	<u>1.77</u>
	Group (12-month period)			
	30/4/2013	30/4/2012	30/4/2013	30/4/2012
	RM'000		Sen	
Net profit for the year (RM'000)	<u>19,007</u>	<u>11,126</u>		
Weighted average number of ordinary shares in issue ('000)	<u>228,098</u>	<u>142,126</u>		
Basic earnings per share (Sen)			<u>8.33</u>	<u>7.83</u>
Net profit for the year (RM'000)	<u>19,007</u>	<u>11,126</u>		
Number of shares used in the calculation of basic earnings per share ('000)	228,098	142,126		
Number of shares assuming exercise of employee share options ('000)	2,578	2,240		
Number of shares assuming exercise of warrants ('000)	<u>54,552</u>	<u>-</u>		
	<u>285,228</u>	<u>144,366</u>		
Diluted earnings per share (Sen)			<u>6.66</u>	<u>7.71</u>

c.c. Securities Commission