

Berjaya Food Berhad

Registration Number: 200901032946 (876057-U)

Date: 14 November 2024

Subject: **UNAUDITED QUARTERLY (Q1) FINANCIAL REPORT FOR
THE PERIOD ENDED 30 SEPTEMBER 2024**

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BERJAYA FOOD BERHAD**Registration Number: 200901032946 (876057-U)****UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2024
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

	<u>Current Quarter</u>	
	3 months ended	
	30/09/2024	30/09/2023
	RM'000	RM'000
REVENUE	124,194	278,534
(LOSS)/PROFIT FROM OPERATIONS	(21,488)	36,631
Investment related income	46	331
Investment related expenses	(124)	-
Finance cost	(9,996)	(8,566)
Share of results of joint venture	(259)	(76)
(LOSS)/PROFIT BEFORE TAX	(31,821)	28,320
TAXATION	(18)	(9,809)
(LOSS)/PROFIT AFTER TAX	(31,839)	18,511
OTHER COMPREHENSIVE ITEMS:		
<u>To be reclassified to profit or loss in subsequent periods:</u>		
- Foreign currency translation	(2,391)	30
<u>Item that will not be reclassified subsequently to profit or loss</u>		
Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")	(712)	(118)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(34,942)</u>	<u>18,423</u>
(LOSS)/PROFIT ATTRIBUTABLE TO:		
- Equity holders of the parent	(33,679)	19,027
- Non-controlling interests	1,840	(516)
	<u>(31,839)</u>	<u>18,511</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
- Equity holders of the Company	(35,903)	18,923
- Non-controlling interests	961	(500)
	<u>(34,942)</u>	<u>18,423</u>
(LOSS)/EARNINGS PER SHARE (SEN)		
-Basic, for the period	<u>(1.90)</u>	<u>1.08</u>

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

BERJAYA FOOD BERHAD**Registration Number: 200901032946 (876057-U)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2024
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30/09/2024 RM'000	As at 30/06/2024 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	306,372	316,851
Right-of-use assets	379,054	396,487
Investment in joint venture	13,224	8,483
Other investments	22,672	23,384
Deferred tax assets	9,850	9,850
Intangible assets	458,039	458,320
Receivables	10,130	10,777
	<u>1,199,341</u>	<u>1,224,152</u>
Current Assets		
Inventories	61,438	71,903
Trade and other receivables	39,166	39,537
Tax recoverable	50,715	53,838
Deposits with financial institutions	6,024	268
Cash and bank balances	25,633	25,657
	<u>182,976</u>	<u>191,203</u>
TOTAL ASSETS	<u><u>1,382,317</u></u>	<u><u>1,415,355</u></u>
EQUITY AND LIABILITIES		
Share capital	257,920	257,920
Reserves	177,678	213,581
	<u>435,598</u>	<u>471,501</u>
Treasury shares	(77,587)	(77,587)
	<u>358,011</u>	<u>393,914</u>
Non-controlling interests	3,571	(1,457)
Equity funds	<u><u>361,582</u></u>	<u><u>392,457</u></u>
Non-current liabilities		
Long term borrowings	42,634	5,666
Lease liabilities	357,936	371,499
Provisions	14,321	16,263
	<u>414,891</u>	<u>393,428</u>
Current Liabilities		
Payables and provisions	159,361	184,468
Short term borrowings	303,989	299,296
Taxation	-	145
Lease liabilities	63,356	65,868
Contract liabilities	79,138	79,693
	<u>605,844</u>	<u>629,470</u>
Total Liabilities	<u><u>1,020,735</u></u>	<u><u>1,022,898</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,382,317</u></u>	<u><u>1,415,355</u></u>
Basic net assets per share (sen)	20.21	22.45

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.

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 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2024
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the parent									
	Non - distributable					Distributable				
	Share capital RM'000	FVTOCI reserves RM'000	Consolidation reserve RM'000	Exchange reserve RM'000	Merger deficit RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 July 2024	257,920	1,389	-	1,676	(55,087)	265,603	(77,587)	393,914	(1,457)	392,457
Loss for the period	-	-	-	-	-	(33,679)	-	(33,679)	1,840	(31,839)
Other comprehensive income	-	(712)	-	(1,512)	-	-	-	(2,224)	(879)	(3,103)
Total comprehensive income	-	(712)	-	(1,512)	-	(33,679)	-	(35,903)	961	(34,942)
Transactions with owners										
Arising from disposal of a subsidiary company	-	-	-	-	-	-	-	-	8	8
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	4,059	4,059
	-	-	-	-	-	-	-	-	4,067	4,067
At 30 September 2024	257,920	677	-	164	(55,087)	231,924	(77,587)	358,011	3,571	361,582
At 1 July 2023	257,920	1,626	729	961	(55,087)	372,308	(85,328)	493,129	(5,460)	487,669
Profit for the period	-	-	-	-	-	19,027	-	19,027	(516)	18,511
Other comprehensive income	-	(118)	-	14	-	-	-	(104)	16	(88)
Total comprehensive income	-	(118)	-	14	-	19,027	-	18,923	(500)	18,423
Transactions with owners										
Arising from acquisition of a subsidiary company	-	-	-	-	-	-	-	-	1,289	1,289
Interim dividends #	-	-	-	-	-	(8,771)	-	(8,771)	-	(8,771)
	-	-	-	-	-	(8,771)	-	(8,771)	1,289	(7,482)
At 30 September 2023	257,920	1,508	729	975	(55,087)	382,564	(85,328)	503,281	(4,671)	498,610

Refer to Note A6.

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

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2024

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	30/09/2024	30/09/2023
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	178,236	281,175
Payments to suppliers and operating expenses	(167,152)	(209,102)
Payment of taxes	2,995	(21,878)
Other receipts	-	137
Net cash generated from operating activities	<u>14,079</u>	<u>50,332</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	69	30
Disposal of investment in subsidiary company	20	-
Acquisition of property, plant and equipment	(3,134)	(7,953)
Acquisition of investments in subsidiary companies	(2,169)	-
Subscription of shares in joint venture	(5,000)	(5,000)
Acquisition of intangible assets	(575)	(3,518)
Interest received	46	74
Net cash used in investing activities	<u>(10,743)</u>	<u>(16,367)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital to non-controlling interests of a subsidiary company	4,059	1,289
Dividends paid	-	(8,771)
Interest paid	(9,611)	(8,525)
Payment of principal portion of lease liabilities	(16,398)	(19,918)
Drawdown of bank borrowings and other loans	40,088	60,663
Repayment of bank borrowings and other loans	(12,949)	(62,862)
Payment of hire purchase	(604)	(569)
Net cash generated from/(used in) financing activities	<u>4,585</u>	<u>(38,693)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>7,921</u>	<u>(4,728)</u>
OPENING CASH AND CASH EQUIVALENTS	<u>25,085</u>	<u>50,076</u>
Effect of exchange rate changes	(2,349)	(50)
CLOSING CASH AND CASH EQUIVALENTS	<u><u>30,657</u></u>	<u><u>45,298</u></u>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	6,024	9,681
Cash and bank balances	<u>25,633</u>	<u>35,617</u>
	<u><u>30,657</u></u>	<u><u>45,298</u></u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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, requirements of the Companies Act 2016 and applicable disclosure provisions of the 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 Group for the financial year ended 30 June 2024. 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 June 2024.

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the year ended 30 June 2024 except the adoption of the new or revised standards, IC Interpretation and amendments to standards.

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 July 2024.

The initial application of the MFRSs, Amendments to MFRSs and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impact 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 as well as the Muslim fasting month. In Malaysia, the major school holiday is traditionally scheduled during the second quarter, while certain festive celebrations fall during the second and third quarters of the Group's financial year. These holidays and festive celebrations will normally have a positive impact to the Group's operations in the second and third quarters of the financial year.

- A3 The following are the unusual items that occurred during the current quarter under review:

Recognised directly in statement of profit or loss

- (i) Included under investment related expenses:

Loss arising from disposal of a subsidiary company

Current
quarter
RM'000

(124)

- A4 As at 30 September 2024, the issued ordinary share capital of the Company was 1,947,632,785 units for RM257,920,251.

- A5 There was no share buyback during the financial year ended 30 September 2024.

The number of treasury shares held in hand as at 30 September 2024 were as follows:

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares as at 30 September 2024	0.44	175,821,661	77,587

As at 30 September 2024, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 1,771,811,000 (30 September 2023: 1,754,268,000) ordinary shares.

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NOTES TO THE INTERIM FINANCIAL REPORT

A6 The Company did not pay any dividend in the financial period ended 30 September 2024 (30 September.2023: RM8.771,000).

A7 Segment information for the financial period ended 30 September 2024:-

	Group RM'000
REVENUE	
Malaysia	120,955
Other South-East Asian countries	3,239
Total revenue	<u>124,194</u>
RESULTS	
Malaysia	(19,438)
Other South-East Asian countries	(1,396)
	<u>(20,834)</u>
Unallocated corporate expenses	(654)
Loss from operations	<u>(21,488)</u>
Investment related income	
- Interest income	46
Investment related expenses	
- Loss arising from disposal of a subsidiary company	(124)
Finance cost	(9,996)
Share of results of joint venture	(259)
Loss before tax	<u>(31,821)</u>
Taxation	(18)
Loss after tax	<u>(31,839)</u>

A8 There were no significant events since the end of this current quarter that have not been reflected in the financial statements for this current financial quarter under review.

A9 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 for the below:

- (a) On 15 August 2024, BFI had completed the disposal of its 50%-owned subsidiary company, Ser Vegano Sdn Bhd, for a total consideration of RM1.00.

A10 There were no material changes in contingent liabilities or contingent assets since the last audited statement of financial position as at 30 June 2024.

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B1 The Group is primarily engaged in developing and operating the "Starbucks Coffee" brand in Malaysia and Brunei, developing and operating the "Kenny Rogers Roasters" ("KRR") chain in Malaysia, producing, packaging and dealing with baked goods under the "Paris Baguette" brand in the Philippines. The key factors that affect the performance of the Group's businesses include mainly the festive seasons, tourism, eating out culture, raw material costs, staff costs and consumer perception.

The summary results of the Group are as follows:

	3 months ended		+ / (-) %
	30/09/2024	30/09/2023	
	RM'000	RM'000	
Revenue	<u>124,194</u>	<u>278,534</u>	<u>(55)</u>
(Loss)/Profit from operations	<u>(21,488)</u>	<u>36,631</u>	<u>N/A</u>
(Loss)/Profit before tax	<u>(31,821)</u>	<u>28,320</u>	<u>N/A</u>

Review of results for the current quarter

The Group registered a revenue of RM124.19 million and pre-tax loss of RM31.82 million in the current quarter ended 30 September 2024 as compared to a revenue of RM278.53 million and pre-tax profit of RM28.32 million reported in the previous year's corresponding quarter.

The significantly lower revenue and pre-tax loss incurred in the current quarter under review were mainly attributed to the prolonged impact from the ongoing sentiment in relation to the Middle East conflict.

B2 Review of results of current quarter vs preceding quarter

	3 months ended		+ / (-) %
	30/9/2024	30/6/2024	
	RM'000	RM'000	
Revenue	<u>124,194</u>	<u>130,565</u>	<u>(5)</u>
Loss from operations	<u>(21,488)</u>	<u>(32,546)</u>	<u>(34)</u>
Loss before tax	<u>(31,821)</u>	<u>(42,690)</u>	<u>(25)</u>

The Group reported a revenue of RM124.19 million and pre-tax loss of RM31.82 million in the current quarter as compared to a revenue of RM130.57 million and pre-tax loss of RM42.69 million reported in the preceding quarter.

The decrease in revenue was primarily attributed to the factor mentioned in Note B1. Current quarter's pre-tax loss has slightly improved despite the decrease in revenue. This was primarily driven by cost optimization and business strategies, as well as there was no impairment of fixed assets compared to the preceding quarter.

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B3 Future prospects

The overall macro environment still remain challenging, however continued positive improvement is observed with the implementation of strategic initiatives and programs by the Group. Looking forward, we remain cautiously optimistic that operational performance will gradually improve over the coming quarters. The Directors are committed to strengthening the Group's core business and investments.

With these ongoing efforts, the Board of directors is confident that the Group will achieve further progress and stronger financial results.

B4 There is no profit forecast or profit guarantee for the financial period ended 30 September 2024.**B5** The taxation charge for the current quarter and financial period ended 30 September 2024 are detailed as follows:

	For the current quarter RM'000
Group:-	
Based on the results for the period:-	
Current period provision	
- Malaysian taxation	<u>18</u>

The disproportionate tax charge of the Group for the current quarter ended 30 September 2024 was mainly due to certain expenses or losses being disallowed for tax purposes, as well as non-availability of Group tax relief in respect of losses incurred by certain subsidiary companies.

B6 There were no corporate proposals announced but not completed.**B7** The Group's bank borrowings and debt securities as at 30 September 2024.

		As at 30/09/2024 RM'000
Short term borrowings		
<u>Secured</u>		
Denominated in Ringgit Malaysia	258,921	
<u>Unsecured</u>		
Denominated in Ringgit Malaysia	<u>45,068</u>	
		303,989
Long term borrowings		
<u>Secured</u>		
Denominated in Ringgit Malaysia		42,634
Total borrowings		<u><u>346,623</u></u>

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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 30 September 2023: first interim share dividend equivalent to 0.44 sen per share).

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

	For the current quarter RM'000
Interest income	(46)
Gain on disposal of property, plant and equipment	(44)
Write down of property, plant and equipment	522
Depreciation of property, plant and equipment	12,471
Depreciation of right-of-use assets	18,349
Amortisation of intangible assets	685
Foreign exchange gain	<u>(338)</u>

B11 The basic (loss)/earnings per share is calculated as follows:

	Group (3-month period)			
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	RM'000		Sen	
Net (loss)/profit for the quarter (RM'000)	<u>(33,679)</u>	<u>19,027</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>1,771,811</u>	<u>1,754,269</u>		
Basic (loss)/earnings per share (Sen)			<u>(1.90)</u>	<u>1.08</u>

* Diluted (loss)/earnings per share is same with basic (loss)/earnings per share as there were no potentially dilutive ordinary shares during the current period.

c.c. Securities Commission