BERJAYA

BERJAYA FOOD BERHAD

(Company No. 876057-U)

annual report | 2011

CONTENTS

Berjaya Food Berhad ("BFood") was incorporated in Malaysia on 21 October 2009. It was converted into a public limited company on 3 December 2009. The business of BFood is that of an investment holding company. Through its wholly-owned subsidiary, Berjaya Roasters (M) Sdn Bhd ("BRoasters"), the Group is principally engaged in the development and operation of the Kenny Rogers Roasters ("KRR") chain of restaurants in Malaysia.

The primary activities of BRoasters include the setting up and expansion of new KRR restaurants and the operation of its KRR chain of restaurants in Malaysia. BRoasters is also responsible for amongst others, the development of the KRR brand in Malaysia (via advertising and promotional activities), introduction of new menu items, and acting as the central procurement agent for all KRR restaurants in Malaysia.

The Company wishes to note that its holding company Berjaya Group Berhad ("BGroup") effectively holds the worldwide KRR brand including the KRR franchise following BGroup's acquisition of KRR International Corp, USA in April 2008.

The Group's restaurants feature rotisserie-roasted chicken as their main core product complemented by a variety of hot and cold side dishes and KRR's famous muffins, jacket potatoes, vegetable salads, pasta, soups, desserts and beverages served in a friendly and comfortable environment. All the KRR restaurants in Malaysia serve their customers in a full service, mid-casual dining setting with free "Wi-Fi" services, providing customers with a wholesome dining experience.

In line with KRR's tagline "Less Fat…, Less Salt…, Less Calories…", KRR serves wholesome, hearty and well-balanced meals which mirror today's discerning consumers' changing attitude towards a healthy eating lifestyle. KRR's rotisserie style of cooking allows the chicken to be cooked evenly, allowing the fats to be drained away while maximizing the retention of juices and nutrients. KRR's signature rotisserie-roasted chicken is a healthier alternative and less fattening in comparison to other methods of cooking.

New introduction to the menu – Kenny's Twin Meal

Signature dish – Kenny's Quarter Meal

KRR adds variety to its core menu by introducing seasonal food promotions such as Bangers & Mash.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Robin Tan Yeong Ching
Executive Chairman

Dato' Lee Kok Chuan
Chief Executive Officer

Tan Thiam Chai
Non-Independent Non-Executive Director

Datuk Zainun Aishah Binti Ahmad
Dato' Mustapha Bin Abd Hamid
Independent Non-Executive Directors

AUDIT AND RISK MANAGEMENT COMMITTEE

Datuk Zainun Aishah Binti Ahmad
Chairman/Independent Non-Executive Director

Dato' Mustapha Bin Abd Hamid
Independent Non-Executive Director

Tan Thiam Chai
Non-Independent Non-Executive Director

SECRETARIES

Su Swee Hong (MAICSA No. 0776729)
Gan Swee Peng (MAICSA No. 7001222)

SHARE REGISTRAR

Berjaya Registration Services Sdn Bhd
Lot 06-03, Level 6 (East Wing)
Berjaya Times Square
No.1, Jalan Imbi
55100 Kuala Lumpur
Tel: 03-2145 0533
Fax: 03-2145 9702

AUDITORS

Ernst & Young (AF:0039)
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: 03-7495 8000
Fax: 03-2095 5332

REGISTERED OFFICE

Lot 13-01A, Level 13 (East Wing)
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel: 03-2149 1999
Fax: 03-2143 1685

PRINCIPAL BANKER

AmBank (M) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK SHORT NAME

BJFOOD (5196)

PLACE OF INCORPORATION AND DOMICILE

Malaysia

DATO' ROBIN TAN YEONG CHING

37 years of age, Malaysian
Executive Chairman

He was appointed as a Director and Executive Chairman of the Company on 20 May 2010. He is also a member of the Remuneration Committee and Employees' Share Option Committee.

He graduated with a Bachelor of Social Science degree in Accounting/Law from the University of Southampton, United Kingdom, in 1995. He joined Berjaya Group Berhad in 1995 as an Executive and subsequently became the General Manager, Corporate Affairs in 1997.

Currently, he is the Chief Executive Officer of Berjaya Corporation Berhad and Berjaya Sports Toto Berhad and an Executive Director of Sports Toto Malaysia Sdn Bhd. He is also the Chairman of Berjaya Media Berhad, Sun Media Corporation Sdn Bhd and Informatics Education Limited, Singapore and a Director of Berjaya Sompo Insurance Berhad, Berjaya Hills Berhad, Berjaya Golf Resort Berhad, KDE Recreation Berhad and Berjaya Roasters (M) Sdn Bhd. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

His father, Tan Sri Dato' Seri Vincent Tan Chee Yioun, is a deemed major shareholder of the Company.

DATO' LEE KOK CHUAN

52 years of age, Malaysian
Chief Executive Officer

He was appointed as a Director and Chief Executive Officer of the Company on 20 May 2010. He is also the Chairman of the Employees' Share Option Committee.

He graduated with a Bachelor of Economics (Accounting Major) from Monash University, Melbourne, in 1983 and is a Fellow Member of the Institute of Chartered Accountants in Australia. He has over 10 years of working experience in the fields of accounting, auditing and corporate services with major international accounting firms including Messrs Ernst & Whinney (Kuala Lumpur) (now known as Ernst & Young), Messrs Arthur Young (Melbourne) and subsequently Messrs Ernst & Young (Melbourne). He joined Berjaya Land Berhad as Senior Manager, Internal Audit in 1994 and was responsible for its internal audit functions. He was an Executive Director of Berjaya Group Berhad from January 2000 to September 2001.

He is currently a Director of Silver Bird Group Berhad, Berjaya Capital Berhad, Berjaya Auto Berhad (formerly known as Fiscal Start Sdn Bhd) and Berjaya Roasters (M) Sdn Bhd. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

TAN THIAM CHAI

52 years of age, Malaysian
Non-Independent Non-Executive Director

He was appointed to the Board on 20 May 2010 as a Non-Independent Non-Executive Director. He is also a member of the Nomination Committee.

He graduated with a Diploma in Commerce (Financial Accounting) from Kolej Tuanku Abdul Rahman and also completed The Association of Chartered Certified Accountants (UK) professional course in 1981. He is a Fellow member of the Association of Chartered Certified Accountants (UK) since 1990 and also a member of the Malaysian Institute of Accountants.

He started work with an accounting firm in Kuala Lumpur for about 2 years and thereafter served in various Finance and Accounting positions with the Hong Leong Group of Companies in Malaysia as well as in Hong Kong for about 8 years. He joined the Berjaya Corporation group of companies in early 1991 as a Finance Manager of an operating subsidiary and was promoted to Operation Manager later that year. In 1992, he was transferred to the Corporate Head Office of Berjaya Group Berhad to head the Group Internal Audit function and subsequently in 1993, he was promoted to oversee the Group Accounting function of Berjaya Group Berhad.

Currently, he is the Chief Financial Officer of Berjaya Corporation Berhad. He is also an Executive Director of Berjaya Land Berhad and Berjaya Assets Berhad, a Director of Magni-Tech Industries Berhad, Indah Corporation Berhad, Cosway Corporation Berhad, Cosway Corporation Limited (Hong Kong) and Taiga Building Products Ltd (Canada).

He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

DATUK ZAINUN AISHAH BINTI AHMAD

65 years of age, Malaysian
Independent Non-Executive Director

She was appointed to the Board as an Independent Non-Executive Director on 20 May 2010. She is the Chairman of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. She is also a member of the Employees' Share Option Committee.

She graduated with a Bachelor of Economics degree from University Malaya. She began her career and worked with Malaysian Industrial Development Authority ("MIDA"), the Malaysian government's principal agency for the promotion and coordination of industrial development in the country for 35 years. In her 35 years of service, she has held various key positions in MIDA as well as in some of the country's strategic councils, notably her pivotal role as the National Project Director in the formulation of the first Malaysian Industrial Master Plan. She was the Director-General of MIDA for 9 years and Deputy Director-General for 11 years. Whilst in MIDA, she also sat on various committees/authorities at national level, including being a member of the Industrial Coordination Act Advisory Council, Defence Industry Council and National Committee on Business Competitiveness Council, Malaysia Incorporated and the National Project for Majlis Penyalarasan Perindustrian before retiring in September 2004.

She was previously a Director of Tenaga Nasional Berhad and Malayan Banking Berhad and resigned on 7 June 2004 and 22 July 2009 respectively. Currently, she is a Director of Degem Berhad, Microlink Solutions Berhad, Scomi Engineering Berhad, Pernec Corporation Berhad, Shell Refining Company (Federation of Malaya) Berhad and Berjaya Media Berhad.

DATO' MUSTAPHA BIN ABD HAMID

58 years of age, Malaysian
Independent Non-Executive Director

He was appointed to the Board as an Independent Non-Executive Director on 20 May 2010. He is also a member of the Nomination Committee and Remuneration Committee.

He graduated from the Royal Military College in 1972 and went on to obtain a Bachelor Degree (Honours) in Social Science from Universiti Sains Malaysia, Penang, in 1977, and a Diploma in Public Management from the National Institute of Public Administration Malaysia (more commonly known as INTAN) in 1978. He started his career as an Administrative and Diplomatic Officer of the Research Division in the Prime Minister's Department and was posted as the First Secretary of the Malaysian Embassy in Paris, France (1982-1985). During his 16 years in the public service sector, he was also the Consul of Consulate General Malaysia in Medan, Indonesia (1990-1993) and the Principal Assistant Director in the Prime Minister's Department (1993-1994). He is also a Director of Teo Guan Lee Corporation Berhad and Acmar FHP Group Berhad. He also holds directorship positions in several other private limited companies which include, among others, Safeguards Corporation Sdn Bhd and Saito College Sdn Bhd.

Save as disclosed, none of the Directors have:-

1. *any family relationship with any Director and/or major shareholder of the Company;*
2. *any conflict of interest with the Company; and*
3. *any convictions for offences within the past 10 years other than traffic offences.*

On behalf of the Board of Directors of Berjaya Food Berhad ("BFood"), I am pleased to present the Annual Report and Financial Statements for the financial year ended 30 April 2011.

BFood was listed on the Main Market of Bursa Malaysia Securities Berhad on 8 March 2011. As part of the listing scheme, BFood acquired Berjaya Roasters (M) Sdn Bhd ("BRoasters") making it a wholly-owned subsidiary in January 2011. The Group, via BRoasters, is principally engaged in the development and operation of the Kenny Rogers Roasters ("KRR") chain of restaurants in Malaysia.

FINANCIAL RESULTS

BFood registered a revenue growth of 19% from RM60.42 million in the previous year to RM71.94 million this year. Pre-tax profit was RM12.58 million, an increase of 21% compared to RM10.40 million for the previous year. The increase in revenue and pre-tax profit were mainly due to an increase on comparable store sales as well as additional restaurants opened during the financial year under review. Consequently, profit after tax also increased 17% from RM8.68 million to RM10.19 million.

Currently, there are 68 KRR restaurants nationwide comprising 55 BRoasters owned restaurants and 13 franchised restaurants. BRoasters plans to open a total of 15 restaurants nationwide in the financial year ending 30 April 2012.

BFood was listed on the Main Market of Bursa Malaysia Securities Berhad on 8 March 2011.

DIVIDEND

The Board declared a first interim dividend of 3 sen single-tier exempt dividend per share in respect of the financial year ended 30 April 2011, which was paid on 22 July 2011.

SIGNIFICANT CORPORATE DEVELOPMENTS

The significant corporate developments during the financial year under review include the following:

1. On 19 January 2011, BFood completed the acquisition of the entire issued and paid-up share capital of BRoasters comprising 17 million ordinary shares of RM1.00 each from Berjaya Group Berhad for a purchase consideration of about RM72.09 million which was settled via the issuance of about 141.35 million new BFood ordinary shares of RM0.50 each at the issue price of RM0.51 per share.

2. On 8 March 2011, BFood was listed on the Main Market of Bursa Malaysia Securities Berhad.

3. On 26 July 2011, BFood entered into a conditional joint venture agreement with PT Mitra Samaya ("MS"), PT Harapan Swasti Sentosa ("HSS") and PT Boga Lestari Sentosa ("PT Boga") to develop and operate the KRR franchise in Java Island and Bali, Indonesia under PT Boga.

REVIEW OF OPERATIONS

BRoasters has a strong track record of providing quality, value-for-money meal options which are healthy and wholesome. Its success is attributed to its aggressive expansion plans, attractive promotions and consistency in delivering quality service and meals at its mid-casual dining restaurants.

RED Day received overwhelming response at the KRR Mid Valley outlet.

BRoasters is consistently adding variety to its core menu by introducing seasonal food promotions such as Kenny's Balinese Chicken, Kenny's Spicy Wings, Kenny's Phoenix Chicken, Chicken & Pasta Meal, Kenny's Chicken & Garden Meal and many more.

In September 2010, BRoasters introduced Roasters On The Move ("ROTM"), its first-ever mobile restaurant which has the capacity of serving up to 200 guests with hot and wholesome meals at a time. With its "Park, Cook and Serve" concept, the ROTM is suited for a variety of events which require outdoor catering. Since its introduction, it has already provided KRR meals at carnivals, universities, media houses, outdoor corporate events, sporting events, and also major public events such as the International Hot Air Balloon Fiesta in Putrajaya.

Following the overwhelming response from the public on the Roasters 'Healthy' Eating Day ("RED") in 2010, BRoasters hosted RED for the second time in 2011 to encourage awareness on healthy eating among the general public by offering a free meal with every purchase of its signature Kenny's Quarter Meal for customers coming into our restaurants wearing red. In conjunction with RED at KRR, redFM took part in this campaign by raising awareness on the event and engaging public participation by giving out KRR vouchers to listeners who called in to their radio programme.

BRoasters' management team.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

BRoasters reaching out and giving back to the communities

As a brand that advocates healthy living through its 'less fat…less salt…less calories' tagline, BRoasters is committed to its mission in promoting and encouraging healthy living among Malaysians while not forgetting the less fortunate in the communities within which it operates.

Since its inception in 2005, the KRR Community Chest Campaign continued to give back to society through various CSR initiatives such as the annual Roasters Chicken Run and Wishing Tree Campaign, as well as the frequent festive gatherings for the underprivileged, food donations and staff visits to children's and old folk's homes.

During the financial year under review, the Roasters Chicken Run event raised RM65,000 for the National Kidney Foundation of Malaysia, a provider of dialysis treatment and a one-stop centre for kidney patients. To date, this unique charity run event has raised more than RM310,000 for various non-governmental and charitable organizations such as Tabung Kebajikan Pesakit HUKM, Pediatric Unit HUKM (Oncology), Unit TUTUR – Aural Rehabilitation Centre for Hearing Impaired Children together with Yayasan Budi Penyayang Malaysia and House of Joy and Faith, Yayasan Sunbeams Home, Rumah Juara, Rumah Kanak-kanak Tengku Budriah, Rumah Sayangan, Rumah Hope, Rumah Kebajikan Anbu Illam, Rumah Charis, Ti-Ratana Welfare Society, and Tabung Kebajikan Pesakit PPUKM – Young Diabetic Patients.

The Wishing Tree campaign which granted the simple wishes of underprivileged children saw another successful year by making the wishes come true for more than 1,200 children from 30 charitable homes nationwide.

As part of our on-going commitment to healthy living, BRoasters also organized the Public Health Talk 2010 conducted by professional healthcare consultants aiming to educate the public on how diet preference could affect the quality of life.

In the area of education, the Roasters Scholarship Programme was introduced in March 2010 to provide financial assistance to needy students to pursue their Bachelor's Degree in Hospitality Management (Honours) with Berjaya University College of Hospitality and a career opportunity with BRoasters upon completion of the course. The scholarship, valued at RM100,000 annually, is open to the public and employees of BRoasters.

Launching of the inaugural Roasters Scholarship Programme.

Roasters Chicken Run event raised RM65,000 for the National Kidney Foundation of Malaysia.

BRoasters' senior management team visited the National Kidney Foundation Centre.

BRoasters Starts with the PEOPLE!

BRoasters recognizes that employees are vital contributors to the success of the Company. Employees are continuously encouraged and motivated to broaden their leadership and capabilities through various staff development programmes such as the Annual Business Plan Meeting, Leadership Convention, sports and team building activities as well as a rewards and benefits programme.

Taking a proactive approach to ensure corporate sustainability by cultivating talents within the Company, BRoasters initiated the People Succession Plan which empowers its employees to focus on continued learning opportunities and encourages them to take a more active role in defining and executing their own career paths in line with its business expansion plans.

BRoasters also endorses CSR at the workplace which encourages its team members to lead a healthy and positive lifestyle via the Support Centre Healthy Day Out ("SCHDO") programme which aims to cultivate a "close-to-nature" mindset through healthy outdoor activities. This programme which started on 24 September 2010, is led by the respective heads of department and they have since carried out various activities, such as the "Treasure Hunt at the Park/ Amazing Race at the Park", and basic workouts such as group jogging and exercise sessions.

BRoasters Cares for the Environment

To help encourage the message of green consciousness among our customers and minimizing our impact on the environment, BRoasters has introduced degradable take-away plastic bags in the first quarter of 2010 following its introduction of the "I-Care Box" two years ago. The "I-Care Box" is a recyclable take-away container, which is made from virgin material called Polypropylene (PP), a thermoplastic polymer.

Group Synergy

Apart from organizing its own CSR activities, BRoasters also supported Berjaya Corporation Berhad's group CSR efforts which were mainly carried out by the Berjaya Cares Foundation.

One of the significant CSR events during the financial year under review was the inaugural Berjaya Founder's Day which was held on 26 February 2011 at Berjaya Times Square. The event was conceptualized to serve and engage the community for a common good cause in honour of Berjaya's founder, Tan Sri Dato' Seri Vincent Tan Chee Yioun for his philanthropic efforts over the years.

BRoasters participated in the fund raising event by contributing 1,000 Kenny's special quarter meals which were a huge hit among the carnival goers. Apart from that, BRoasters' staff also contributed by selling carnival coupons which helped raise part of the RM1.6 million from this event. All proceeds collected from the sale of coupons were channeled to Berjaya Cares Foundation for onward donation to 25 selected non-governmental and charitable organizations.

Tan Sri Dato' Seri Vincent Tan matched every ringgit collected through the carnival, bringing the total collection to RM3.2 million. In addition, Tan Sri Dato' Seri Vincent Tan personally, through his Better Malaysia Foundation, contributed another RM3.4 million for 5 other non-governmental and charitable organizations.

BRoasters was also actively involved in numerous charitable home visits organized by the Berjaya Cares Foundation. Apart from bringing cheer and joy to the lives of the less fortunate, BRoasters also provided healthy and delicious KRR meals for their enjoyment.

BRoasters' staff and film director Benji Lim (front role extreme left) presented gifts to children from Rumah Hope as part of the 2010 Wishing Tree Campaign.

The mobile restaurant – Roasters On The Move served guests during Berjaya Founder's Day 2011.

FUTURE PROSPECTS

In the first half of 2011, the Malaysian economy grew by 4.4% due to healthy domestic demand and strong exports of commodity and resource-based products amidst slower global economic growth. The global economic outlook is further dampened by the renewed debt crisis in Europe and poor economic data in the USA. However, the Malaysian economy is expected to continue to grow in view of the implementation of the Economic Transformation Programme and supportive government policy measures.

The Malaysian food service industry is increasingly competitive with the variety of food chain restaurants available, and also with consumers being more discerning about their food choices. The number of dual income families in Malaysia is rising as well. This has increased interest in healthy foods comprising low-salt and low-fat meals. BRoasters remains an established and respected brand, and as a full service restaurant nationwide. It aims to continue to offer healthy and wholesome meals to the Malaysian public. It will continue to increase its market share with its plan to open 15 restaurants in the current financial year 2012. BRoasters will also expand its delivery and catering service nationwide to meet with the challenges ahead.

BFood is also set to expand its reach into the Asian region with its proposed joint venture with MS, HSS and PT Boga to operate the KRR franchise in Java Island and Bali, Indonesia. This proposed JV would enable BFood to venture into Indonesia and to grow the KRR brand in a country with a growing economy and large population, thus expanding its market share beyond Malaysia.

Given the Group's business expansion plans locally and abroad, and barring any unforeseen circumstances, the Board of Directors is of the view that the Group's performance for the financial year ending 30 April 2012 will improve further.

APPRECIATION

On behalf of the Board, I would like to express my appreciation to the management and employees of the BFood group for their support and commitment. Their dedication and effort in taking on challenges and making things happen are part of the success of our Group today.

I would also like to thank all our customers, business partners and regulatory authorities for their support and confidence in our Group.

To my fellow colleagues on the Board, I would like to thank them for their support and guidance. I look forward to their continued support and commitment as we take BFood to greater heights.

Dato' Robin Tan Yeong Ching
Executive Chairman
1 September 2011

KRR outlet in Setapak.

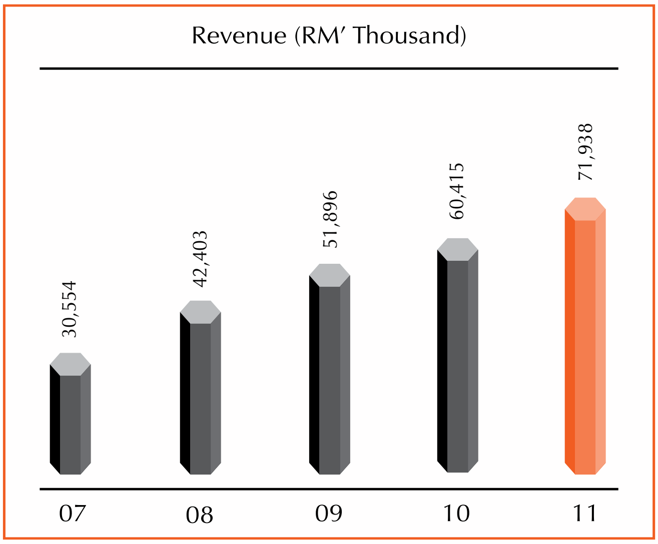
Dato' Francis Lee, Director of Roasters Asia Pacific (6th from right) and Lee Siew Weng, Senior General Manager of Berjaya Roasters (M) Sdn. Bhd. (6th from left) with recipients of the Long Service Award who have served the company for more than 10 years.

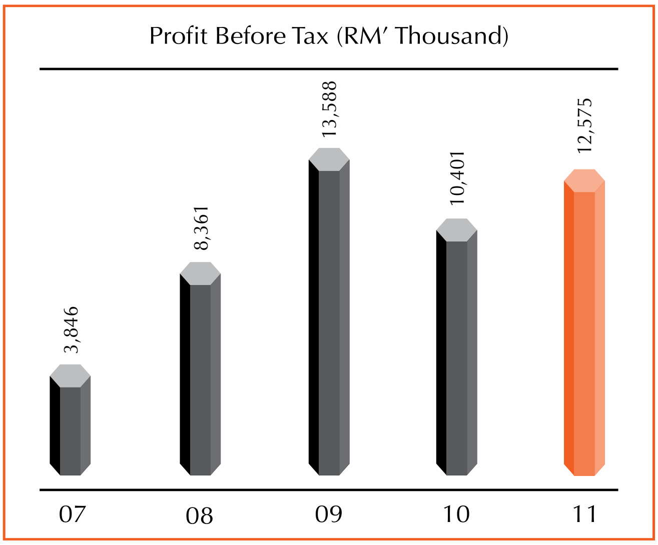
Description	2011 USD'000	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000
Revenue	24,201	71,938	60,415	51,896	42,403	30,554
Profit Before Tax	4,230	12,575	10,401	13,588	8,361	3,846
Profit For The Year	3,429	10,193	8,680	12,614	6,689	3,072
Profit Attributable To Shareholders	3,429	10,193	8,680	12,614	6,689	3,072
Share Capital #	23,846	70,883	70,674	70,674	70,674	70,674
Reserves #	(6,758)	(20,090)	(30,487)	(39,167)	(51,261)	(57,950)
Total equity	17,088	50,793	40,187	31,507	19,413	12,724
Long Term Liabilities	1,003	2,982	1,837	1,559	1,433	563
Current Liabilities	3,535	10,507	7,965	8,785	7,606	5,154
Total Equity and Liabilities	**21,626**	**64,282**	**49,989**	**41,851**	**28,452**	**18,441**
Property, Plant & Equipment	6,395	19,010	19,601	17,964	14,159	8,758
Goodwill	332	986	986	-	-	-
Current Assets	14,899	44,286	29,402	23,887	14,293	9,683
Total Assets	**21,626**	**64,282**	**49,989**	**41,851**	**28,452**	**18,441**
Net Assets Per Share (US$/RM)	0.12	0.36	0.28	0.22	0.14	0.09
Net Earnings Per Share (Cents/Sen)	2.43	7.21	6.14	8.92	4.73	2.17
Dividend Rate (%)	6.00	6.00	-	-	-	-
Net Dividend Amount (USD'000/RM'000)	1,432	4,257	-	-	-	-

Notes:
Figures for 2007-2011 are for 12 months ended 30 April. Where additional shares are issued, the earnings per share are calculated based on a weighted average number of shares.

In applying merger method of accounting, comparative figures in the consolidated financial statements are restated as if the issue of shares for the acquisition of Berjaya Roasters (M) Sdn Bhd had taken place as at the earliest date presented.

Exchange rate: US$1.00=RM2.9725


Revenue (RM' Thousand)
30,554
42,403
51,896
60,415
71,938
07
08
09
10
11


Profit Before Tax (RM' Thousand)
3,846
8,361
13,588
10,401
12,575
07
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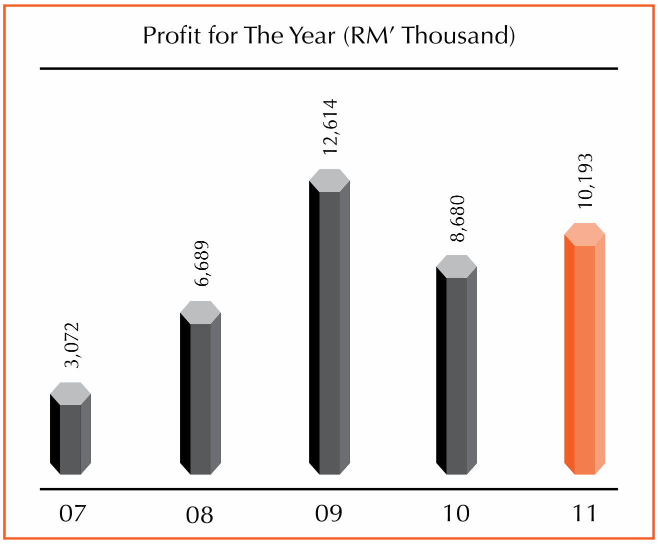
09
10
11


Profit for The Year (RM' Thousand)
3,072
6,689
12,614
8,680
10,193
07
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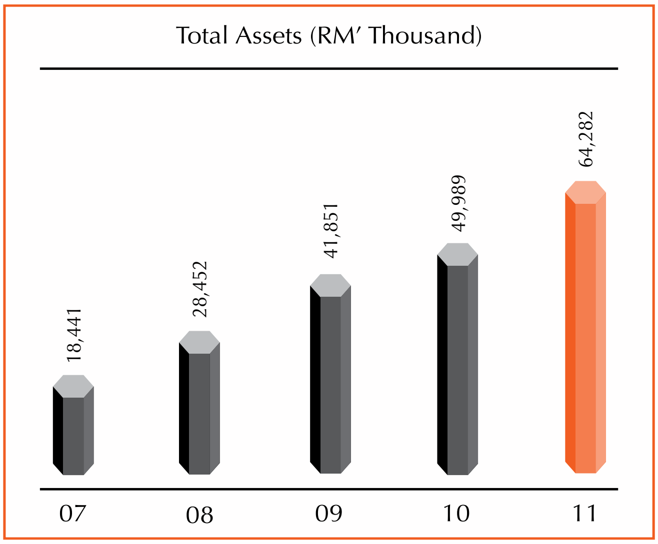
09
10
11


Total Assets (RM' Thousand)
18,441
28,452
41,851
49,989
64,282
07
08
09
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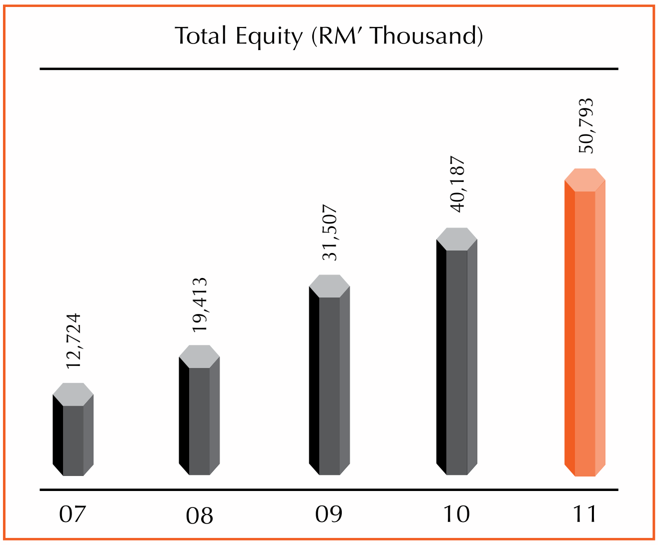
Total Equity (RM' Thousand)
12,724
19,413
31,507
40,187
50,793
07
08
09
10
11

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Berjaya Food Berhad is pleased to present the report of the Audit and Risk Management Committee for the financial year ended 30 April 2011.

MEMBERS AND MEETING ATTENDANCES

The members of the Audit and Risk Management Committee are as follows:-

Datuk Zainun Aishah Binti Ahmad
- Chairman/Independent Non-Executive Director

Dato' Mustapha Bin Abd Hamid
- Independent Non-Executive Director

Tan Thiam Chai
- Non-Independent Non-Executive Director

The Company was listed on the Main Market of Bursa Malaysia Securities Berhad on 8 March 2011 and only one (1) meeting was held during the financial year ended 30 April 2011. The details of attendance of the Audit and Risk Management Committee members are as follows:-

Name	**Attendance**
Datuk Zainun Aishah Binti Ahmad	1/1
Dato' Mustapha Bin Abd Hamid	1/1
Tan Thiam Chai	1/1

The Deputy General Manager of Group Internal Audit and the General Manager of Group Accounts and Budgets were also invited to attend the Audit and Risk Management Committee meeting. The external auditors were also invited to attend the meeting.

SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE DURING THE FINANCIAL YEAR ENDED 30 APRIL 2011

The activities undertaken by the Audit and Risk Management Committee during the financial year ended 30 April 2011 included the following:-

a. reviewed the external auditors' scope of work and audit plan for the financial year ended 30 April 2011;

b. reviewed the third quarter and year-to-date financial results of the Group before submission to the Board for consideration and approval; and

c. reviewed the Internal Audit Plan for year 2012.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Audit and Risk Management Committee has reviewed and verified that the allocation of options granted during the financial year under the ESOS of the Company were made in accordance with the criteria as set out in the ESOS Bylaws.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Internal Audit Division of the holding company, Berjaya Corporation Berhad, was engaged to undertake the internal audit function that would enable the Audit and Risk Management Committee to discharge its duties and responsibilities with effect from March 2011. Their role is to provide the Audit and Risk Management Committee with independent and objective reports on the state of internal controls of the operating unit within the Group and the extent of compliance with the Group's established policies, procedures and statutory requirements.

The activities to be undertaken by the Internal Audit Division included the following:

1. Review the existing systems, controls and governance processes of the operating unit within the Group.

2. Conduct audit reviews and evaluated risk exposures relating to the Group's governance process and system of internal controls on reliability and integrity of financial and operational information, safeguarding of assets, efficiency of operations, compliance with established policies and procedures and statutory requirements.

3. Provide recommendations to assist the operating unit and the Group in accomplishing its internal control requirements by suggesting improvements to the control processes.

4. Issue internal audit reports incorporating audit recommendations and management's responses in relation to audit findings on weaknesses in the systems and controls to the Audit and Risk Management Committee and the respective operations management.

5. Follow up review to ensure that the agreed internal audit recommendations are effectively implemented.

6. Present internal audit reports to the Audit and Risk Management Committee for review.

During the financial year ended 30 April 2011, the Internal Audit Plan for the financial year ending 30 April 2012 was tabled at the Audit and Risk Management Committee Meeting for review and adoption.

The restructuring exercise of the Company was completed on 3 March 2011. Prior to this, the Company was dormant and the principal subsidiary, Berjaya Roasters (M) Sdn Bhd was a direct subsidiary of Berjaya Group Berhad. Hence, there was no audit assignment conducted on the operating unit of the Group and no cost was incurred for the Internal Audit function.

TERMS OF REFERENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

1. MEMBERSHIP

The Audit and Risk Management Committee ("the Committee") shall be appointed by the Board from amongst the Directors and shall consist of not less than three members and all the Committee members must be non-executive directors, with majority of them being independent directors and at least one member of the Committee must be a member of the Malaysian Institute of Accountants or such other qualifications and experience as approved by the Bursa Malaysia Securities Berhad ("Bursa Securities").

If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three, the board of directors shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

2. QUORUM

A quorum for the Committee shall consist of two members and a majority of the members present must be Independent Directors.

3. CHAIRMAN

The Chairman of the Committee shall be an Independent Director appointed by the Board. He shall report on each meeting of the Committee to the Board.

4. SECRETARY

The Company Secretary shall be the Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the Committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee members and to the other members of the Board of Directors.

5. FREQUENCY OF MEETINGS

Meetings shall be held not less than four times a year and will normally be attended by the Director charged with the responsibilities of the Group's finance and Head of Internal Audit. The presence of external auditors will be requested if required and the external auditors may also request a meeting if they consider it necessary.

6. AUTHORITY

The Committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary.

The Committee is also authorised to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

7. DUTIES

The duties of the Committee shall be:

(a) To review and recommend the appointment of external auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as external auditors;

(b) To discuss with the external auditors where necessary, on the nature and scope of audit and to ensure coordination of audit where more than one audit firm is involved;

(c) To review the quarterly results and year-end financial statements prior to the approval by the Board, focusing on:

- going concern assumption
- compliance with applicable financial reporting standards and regulatory requirements
- any changes in accounting policies and practices
- significant issues arising from the audit
- major judgemental areas

(d) To prepare Audit and Risk Management Committee Report at the end of each financial year;

(e) To discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of management, where necessary);

(f) To review the external auditors' management letter and management's response;

(g) To review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(h) To do the following in relation to internal audit function:-

- review the adequacy of scope, functions, competency and resources of the internal audit department and that it has the necessary authority to carry out its work;
- review internal audit programme;
- ensure coordination of external audit with internal audit;
- consider the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
- to monitor related party transactions entered into by the Company and its subsidiaries, and to ensure that the Directors report such transactions annually to shareholders via the annual report;
- to review and monitor the effectiveness of internal control systems and to evaluate the systems with the external auditors;

(i) To carry out such other responsibilities, functions or assignments as may be defined jointly by the Committee and the Board of Directors from time to time;

(j) In compliance with Paragraph 15.16 of the Main Market Listing Requirements, where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee must promptly report such matter to Bursa Securities.

(k) To undertake the following risk management activities:

Establishing Strategic Context – Ensuring that the strategic context of the risk management strategy is complete and takes into account the environment within which the Group operates and the requirements of all stakeholders and the Board.

Establishing Risk Management Processes – Determining the overall risk management processes that should be adopted by the business units and developing appropriate guidelines and policies for implementation.

Establishing Risk Management Structure – Ensuring a short and long term risk management strategy, framework and methodology have been implemented and consistently applied by all business units.

Embedding Risk Management Capability – Ensuring risk management processes are integrated into all core business processes and that the culture of the organisation reflects the risk consciousness of the Board.

Establishing Reporting Mechanism – Providing a consolidated risk and assurance report to the Board to support the statement relating to internal control in the Company's annual report.

Integrating & coordinating assurance activity – Ensuring alignment and coordination of assurance activity across the organisation.

Establishing Business Benefits – Identifying opportunities to release potential business benefits through the enhancement of risk management capabilities within the Group.

Establishing Effectiveness of Risk Management Processes – Simplifying and improving the effectiveness of existing risk management structures.

Managing the Group Wide Risk Management Programme – Supporting the implementation of the risk management processes within the business. The Committee will act as steering committee for the Group Wide Risk Management Programme.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("Board") of Berjaya Food Berhad recognises the importance of corporate governance in ensuring that the interest of the Company and shareholders are protected. The Board is committed in ensuring that the Group carries out its business operations within the required standards of corporate governance as set out in the Malaysian Code on Corporate Governance ("the Code").

The Board is pleased to provide the following statement, which outlines the main corporate governance practices that were in place throughout the financial year unless otherwise stated.

(A) DIRECTORS

(i) The Board

The Board is primarily responsible for the strategic directions of the Group and this includes the following:

(a) Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed;

(b) Identifying principal risks to ensure the implementation of appropriate systems to manage these risks;

(c) Maintaining shareholders and investors relations of the Company; and

(d) Reviewing the adequacy and integrity of the Group's internal control systems and management systems; including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board meets on a quarterly basis with additional meetings held whenever necessary. During the financial year, the Company completed its restructuring exercise for its initial public offering on 3 March 2011 and was listed on the Main Market of Bursa Malaysia Securities Berhad on 8 March 2011. Prior to the official listing, one (1) Board meeting was convened on 3 March 2011 and the details of attendance are as follows: -

Directors	Directorship	Attendance
Dato' Robin Tan Yeong Ching #	Executive Chairman	1/1
Dato' Lee Kok Chuan #	Chief Executive Officer	1/1
Tan Thiam Chai #	Non-Independent Non-Executive Director	1/1
Datuk Zainun Aishah Binti Ahmad #	Independent Non-Executive Director	1/1
Dato' Mustapha Bin Abd Hamid #	Independent Non-Executive Director	1/1

Appointed on 20 May 2010

(ii) Board Balance

The Board currently consists of the Executive Chairman, the Chief Executive Officer, Two (2) Independent Non-Executive Directors and One (1) Non-Executive Non-Independent Director. The profiles of the Directors are set out on pages 3 to 5 of this Annual Report.

The Executive Chairman of the Company also has executive roles and responsibilities due to his knowledge and experience in the Group's business. Together with an experienced management team, they are responsible for the operational and business units, organisational effectiveness and the implementation of corporate policies, strategies, decisions and internal controls.

The Board is mindful of the above but is comfortable as the Independent Non-Executive Directors on the Board provide the necessary unbiased independent views, advice and judgment to take into account of the interests of all shareholders, employees, customers, suppliers and the communities in which the Group conducts its business and ensure that the Board has a balanced decision making process.

Datuk Zainun Aishah Binti Ahmad is the Senior Independent Non-Executive Director, to whom concerns relating to the affairs of the Group may be conveyed.

(iii) Supply of Information

All Directors have full and timely access to information concerning the Company and the Group. Board papers and reports which included the Group performance and major operational, financial and corporate information are distributed to the Directors prior to Board Meetings and to enable Directors to obtain further explanation, where necessary, in order to be properly briefed before the meeting.

All Directors have access to the advice and services of the Company Secretary and may obtain independent professional advice at the Company's expense in furtherance of their duties.

(iv) Appointment to the Board

The Nomination Committee currently comprises the following members:

Datuk Zainun Aishah Binti Ahmad	- Chairman/ Independent Non-Executive Director
Dato' Mustapha Bin Abd Hamid	- Independent Non-Executive Director
Tan Thiam Chai	- Non-Independent Non-Executive Director

The Committee is empowered by its terms of reference and its primary function is to recommend to the Board, candidates for directorships of the Company and the members of the Board Committees.

The Committee will review the required mix of skills and experience of the Directors of the Board, in determining the appropriate Board balance and size of the non-executive participation.

(v) Employees' Share Option Committee

The Employees' Share Option Committee ("Option Committee") is established to administer the Employees' Share Option Scheme in accordance with the objectives and regulations thereof and to determine participation eligibility, option offers and share allocations and to attend to such other matters as may be required.

The members of the Option Committee are as follows:-

Dato' Lee Kok Chuan (Chairman)
Dato' Robin Tan Yeong Ching
Datuk Zainun Aishah Binti Ahmad

(vi) Directors' Training

All Directors have attended and completed the Mandatory Accreditation Programme pursuant to Bursa Malaysia Securities Berhad guidelines on Training for Directors. The relevant Directors have also attended some training programmes organised by the regulatory authorities to comply with the Continuing Education Programmes requirement.

The Directors are encouraged to evaluate their own training needs on a continuous basis and to determine the relevant programmes, seminars, briefing or dialogues available to further enhance their skills and knowledge and to discharge their duties as Directors.

During the financial year ended 30 April 2011, the seminars and conferences attended by the Directors are as follows:-

Directors	Seminars/ Conferences
Dato' Robin Tan Yeong Ching	• Recent Changes to Financial Reporting Standards (FRS)
Datuk Zainun Aishah Binti Ahmad	• 2nd Annual Corporate Governance Summit 2010 • Directors' Continuing Education Programme 2010: Malaysian Competition Act, 2010, Managing Risk Across the Enterprise, updates on listing requirements and recent shareholders' issues and social media and impact on business. • Recent Changes to Financial Reporting Standards (FRS) • Sustainability Programme: Trading Services & Industrial Products
Dato' Mustapha Bin Abd Hamid	• Towards Boardroom Excellence
Tan Thiam Chai	• Goods & Services Tax Briefing • Recent Changes to Financial Reporting Standards (FRS) • Half day Governance Program – Assessing the risk and control environment
Dato' Lee Kok Chuan	Dato' Lee Kok Chuan has not attended any seminar/training during the year due to his work commitment and business travelling. However, he was briefed by management on the business operations of the Group during the financial year ended 30 April 2011.

(vii) Re-election of Directors

Any Director appointed during the year is required under the Company's Articles of Association, to retire and seek election by shareholders at the following Annual General Meeting ("AGM") immediately after their appointment. The Articles also requires one-third of the Directors to retire by rotation and seek re-election at each AGM and that each Director shall submit himself for re-election once every three years.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

(B) DIRECTORS' REMUNERATION

(i) Remuneration Committee

The Remuneration Committee currently comprises the following members:

Datuk Zainun Aishah Binti Ahmad	- Chairman / Independent Non-Executive Director
Dato' Mustapha Bin Abd Hamid	- Independent Non-Executive Director
Dato' Robin Tan Yeong Ching	- Executive Chairman

The Remuneration Committee is entrusted with responsibilities to set up the policy framework and to recommend to the Board on all elements of the remuneration package of the executive directors. The determination of the remuneration for the non-executive Directors will be a matter to be decided by the Board as a whole with the Directors concerned abstaining from deliberation and voting on decision in respect of his individual remuneration package.

The fees payable to the Directors will be recommended by the Board for approval by shareholders at the AGM.

(ii) Details of the Directors' Remuneration

The aggregate Directors' remuneration paid or payable to the Directors in office during the financial period by the Company and the Group categorised into appropriate components for the financial year ended 30 April 2011 are as follows:

	<——RM——>		
	Fee	Other Emoluments	Total
Executive	-	-	-
Non-Executive	57,000	1,400	58,400
	57,000	1,400	58,400

The number of Directors of the Company who served during the financial period and whose total remuneration from the Group falling within the respective bands are as follows:

	Number of Directors	
	Executive	Non-Executive
RM1 - RM50,000	-	2

(C) RELATIONS WITH SHAREHOLDERS AND INVESTORS

The Company recognises the importance of keeping shareholders and investors informed of the Group's business and corporate developments. Such information will be disseminated via the Company's annual reports, circulars to shareholders, quarterly financial results and the various announcements made from time to time.

The Group maintains a website at www.berjaya.com where shareholders as well as members of the public can access for the latest information on the Group. Alternatively, they may obtain the Group's latest announcements via the website of Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

The AGM remains the principal forum for dialogue with shareholders where they may seek clarifications on the Group's business. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions.

(D) ACCOUNTABILITY AND AUDIT

(i) Financial Reporting

The Directors aim to provide a balanced and meaningful assessment of the Group's financial performance and prospects, primarily through the annual report and quarterly financial statements.

The Directors are also responsible for ensuring the annual financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and the applicable financial reporting standards in Malaysia.

A statement by the Directors of their responsibilities in the preparation of financial statements is set out in the ensuing section.

(ii) Statement of Directors' Responsibility in respect of the Financial Statements

Company law requires the Directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and of the Group and of the results and cash flows of the Company and of the Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable financial reporting standards have been followed, subject to any material departures being disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Companies Act, 1965 and applicable financial reporting standards in Malaysia. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

(iii) Internal Control

The Board acknowledges that it is responsible for maintaining a sound system of internal controls which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. A Statement on Internal Control of the Group is set out on page 22 of this Annual Report.

(iv) Relationship with the Auditors

Through the Audit and Risk Management Committee, the Company has established a transparent and appropriate relationship with the Group's auditors, both internal and external. From time to time, the auditors highlighted to the Audit and Risk Management Committee and the Board on matters that require the Board's attention.

STATEMENT ON INTERNAL CONTROL

Responsibility

The Board of Directors of Berjaya Food Berhad recognises that it is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. The Board's responsibility in relation to the system of internal control extends to its principal subsidiary company (ie. Berjaya Roasters (M) Sdn Bhd) of the Group. The system of internal control of the Group is designed to manage rather than eliminate the risk of failure to achieve business objectives and thus only provide reasonable but not absolute assurance against material misstatement or loss.

The Board's primary objective and direction in managing the Group's business risks are focused on the achievement of the Group's business objectives. The Board, throughout the financial period under review, has identified, evaluated and managed the significant risks being faced by the Group through the monitoring of the Group's performance and profitability at its Board meetings.

The Board entrusts the Audit and Risk Management Committee with the overall responsibility to regularly review and monitor risk management activities of the Group and to approve appropriate risk management procedures and measurement methodologies.

Management Style and Control Consciousness

The Group's main focus is on the development and operation of the "Kenny Rogers Roasters" chain of restaurants business operated by Berjaya Roasters (M) Sdn Bhd.

Whilst the Board maintains full direction over appropriate strategic, financial and compliance issues, it has delegated to its management team the responsibility of managing the Group's day-to-day operations and also the implementation of the system of internal control within an established framework.

The management formulates their business plans, which include the strategies and goals and an assessment of its current position and future prospects for the Board's review. The Board also receives regular updates on the Group's performance from management at Board meetings.

The key features of the framework, which encompasses the Group's system of internal control, include:
- Segregation of duties
- Clear reporting line
- Structured limit of authority
- Monitoring mechanisms (reports & meetings)
- Trained personnel
- Quarterly comparison of operating companies' actual financial performance with budget
- Independent assurance on the system of internal control from internal audit visits
- Routine random visits to outlets to verify accountability for cash and inventory
- Compliance of food and service quality-control procedures

Assurance Mechanism

The Board had tasked the Audit and Risk Management Committee, in its Terms of Reference, with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control. The Board then reviewed the minutes of the Audit and Risk Management Committee's meetings. Internal audit reviews of the Group are provided by its ultimate holding company, Berjaya Corporation Berhad. The Internal Auditors will report directly to the Audit and Risk Management Committee. The Audit and Risk Management Committee has reviewed the Internal Audit Plan for the subsidiary company of the Group for the financial year ending 30 April 2012. The report of the Audit and Risk Management Committee is set out on pages 13 to 16 of the Annual Report.

The Board is committed towards operating a sound system of internal control and recognises that the system must continuously evolve to support the type of business and size of operations of the Group. As such, the Board will, when necessary, put in place appropriate action plans to rectify any potential weaknesses or further enhance the system of internal control.

DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2011.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activity of the subsidiary company is the development and operation of the "Kenny Rogers Roasters" chain of restaurants in Malaysia.

There were no significant changes in the Group's activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	10,193	5,747
Attributable to:		
Equity holders of the Company	10,193	5,747

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid by the Company in respect of the previous financial period.

The dividend paid by the Company since 30 April 2011 was as follows:

	RM'000
In respect of the financial year ended 30 April 2011	
First interim dividend of 6.00% or 3 sen per share single-tier exempt dividend, paid on 22 July 2011	4,257

The financial statements for the current financial year do not reflect the above dividend. This dividend will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 30 April 2012. The directors do not recommend the payment of final dividend in respect of the current financial year.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Robin Tan Yeong Ching
Dato Lee Kok Chuan
Datuk Zainun Aishah Binti Ahmad
Tan Thiam Chai
Dato' Mustapha Bin Abd Hamid

The date of appointment of the above directors was on 20 May 2010.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employees' Share Option Scheme.

Since the end of the previous financial period, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 17 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares, options and debentures of the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM0.50 each			
	At date of appointment	Acquired	Disposed	At 30.4.11
The Company				
Dato' Robin Tan Yeong Ching	-	100,000	-	100,000
Dato' Lee Kok Chuan	-	100,000	-	100,000
Datuk Zainun Aishah Binti Ahmad	-	100,000	100,000	-
Tan Thiam Chai	-	100,000	-	100,000
Dato' Mustapha Bin Abd Hamid	-	100,000	-	100,000

	Number of ordinary shares of RM0.50 each under employees' share option scheme			
	At date of appointment	Granted	Exercised	At 30.4.11
Dato' Robin Tan Yeong Ching	-	1,000,000	-	1,000,000
Dato' Lee Kok Chuan	-	950,000	-	950,000
Datuk Zainun Aishah Binti Ahmad	-	100,000	-	100,000
Tan Thiam Chai	-	100,000	-	100,000
Dato' Mustapha Bin Abd Hamid	-	100,000	-	100,000

Ultimate holding company:

		Number of ordinary shares of RM1.00 each			
		At 19.1.11 ^	Acquired	Disposed	At 30.4.11
Berjaya Corporation Berhad ("BCorp")					
Dato' Robin Tan Yeong Ching		722,847	-	-	722,847
	(a)	5,000	-	-	5,000
Dato' Lee Kok Chuan		-	20,000	-	20,000
Tan Thiam Chai		123,294	-	-	123,294
	(a)	104,164	-	-	104,164

		Number of 0% Irredeemable Convertible Unsecured Loan Stocks 2005/2015 of RM0.50 nominal value each			
		At 19.1.11 ^	Acquire	Disposed	At 30.4.11
Dato' Robin Tan Yeong Ching	*	300,000	-	-	300,000
Dato' Lee Kok Chuan		22	-	-	22
	(a)	17	-	-	17

Related companies:

		Number of ordinary shares of RM0.50 each			
		At 19.1.11 ^	Acquired	Disposed	At 30.4.11
Berjaya Land Berhad ("BLB")					
Dato' Robin Tan Yeong Ching		600,000	-	-	600,000
Tan Thiam Chai		40,000	-	-	40,000

		Number of ordinary shares of RM0.10 each			
		At 19.1.11 ^	Acquired	Disposed	At 30.4.11
Berjaya Sports Toto Berhad ("BToto")					
Dato' Robin Tan Yeong Ching		828,000	-	-	828,000
Dato' Lee Kok Chuan		45,000	20,000	-	65,000
Tan Thiam Chai		163,542	-	-	163,542
	(a)	66,000	-	-	66,000

		Number of ordinary shares of HKD0.20 each			
		At 19.1.11 ^	Acquired	Disposed	At 30.4.11
Cosway Corporation Limited ("CCL")					
Dato' Robin Tan Yeong Ching	(a)	-	1,300,000	-	1,300,000

Notes:

* Indirect interest.

(a) Indirect interests pursuant to Section 134(12)(c) of the Companies Act, 1965.

^ On 19 January 2011, the Company became a subsidiary company of Berjaya Group Berhad ("BGroup"), for which its ultimate holding company is BCorp. Hence, the subsidiary companies of BCorp, namely BLB, BToto and CCL are deemed as related companies of the Company.

ISSUE OF SHARES

During the financial year, the Company increased its authorised share capital from RM500,000,000 to RM600,000,000 through the creation of 200,000,000 ordinary shares of RM0.50 each, and increased its issued and fully paid up share capital from RM2 to RM70,883,000 by way of the issuances of:

(i) 141,347,996 new ordinary shares of RM0.50 each at an issue price of RM0.51 per share pursuant to the acquisition 100% equity interest in Berjaya Roasters (M) Sdn Bhd ("BRoasters") from BGroup; and

(ii) 418,000 new ordinary shares of RM0.50 each at an issue price of RM0.51 per share pursuant to the exercise of the share options that was granted under the Employees' Share Option Scheme during the financial year.

EMPLOYEES' SHARE OPTION SCHEME

At an Extraordinary General Meeting held on 14 January 2011, shareholders approved the Employees' Share Option Scheme ("ESOS") for the grant of options that are settled by physical delivery of the ordinary shares of the Company, to eligible directors and employees of the Group.

The committee administering the ESOS comprises Dato' Lee Kok Chuan, Dato' Robin Tan Yeong Ching, Datuk Zainun Aishah Binti Ahmad and Lee Siew Weng.

The salient features and terms of the ESOS are disclosed in Note 22 to the financial statements.

During the financial year:

(i) the Company granted 7,420,000 share options at an exercise price of RM0.51 each under the ESOS. These options will expire on 7 March 2016. The exercisable options in a particular year of the ESOS shall at all times be subject to a maximum of twenty per cent of the total number of shares comprising the options. However, options which are exercisable in a particular year can be carried forward and be exercised in the subsequent years; and

(ii) 418,000 of share options were exercised at the exercise price of RM0.51 each.

The Company has been granted exemption by the Companies Commission of Malaysia via their letter dated 1 April 2011 from having to disclose the names of option holders, other than directors, who have been granted options to subscribe for less than 500,000 ordinary shares of RM0.50 each. The names of option holders granted options to subscribe for 500,000 or more ordinary shares of RM0.50 each during the financial year are as follows:

			Exercise	|——— Number of share options ———|		
Name	Grant date	Expiry date	price	Granted	Exercised	30.4.2011
Lee Siew Weng	18.3.2011	7.3.2016	RM0.51	850,000	-	850,000
Lee Siew Fei	18.3.2011	7.3.2016	RM0.51	550,000	40,000	510,000
Lim Shii Chair	18.3.2011	7.3.2016	RM0.51	500,000	60,000	440,000

Details of options granted to directors are disclosed in the section on directors' interests in this report.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and

(ii) to ensure that any current asset which was unlikely to realise its value as shown in the accounting records in the ordinary course of business had been written down to an amount which it might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Group and the Company; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENT

Significant event during the financial year is disclosed in Note 30 to the financial statements.

SUBSEQUENT EVENTS

Significant events subsequent to the end of the financial year are disclosed in Note 31 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with
a resolution of the directors dated 2 August 2011

Dato' Lee Kok Chuan

Tan Thiam Chai

STATEMENT BY DIRECTORS & STATUTORY DECLARATION

STATEMENT BY DIRECTORS

(Pursuant to Section 169(15) of the Companies Act, 1965)

We, Dato' Lee Kok Chuan and Tan Thiam Chai, being two of the directors of BERJAYA FOOD BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 33 to 76 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 April 2011 and of the results and the cash flows of the Group and of the Company for the year then ended.

The supplementary information set out in Note 33 on page 77, is prepared in all material respects, in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with
a resolution of the directors dated 2 August 2011

Dato' Lee Kok Chuan **Tan Thiam Chai**

STATUTORY DECLARATION

(Pursuant to Section 169(16) of the Companies Act, 1965)

I, Dato' Lee Kok Chuan, being the director primarily responsible for the financial management of BERJAYA FOOD BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 33 to 77 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
Dato' Lee Kok Chuan at Kuala Lumpur in the Federal
Territory on 2 August 2011

Dato' Lee Kok Chuan

Before me:

Commissioner for Oaths
TEE WENG YEAN (W441)
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA FOOD BERHAD
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Berjaya Food Berhad, which comprise the statements of financial position as at 30 April 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flow of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 33 to 76.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of these financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2011 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiary that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' report on the financial statements of the subsidiary was not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

(a) The supplementary information set out in Note 33 on page 77 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

(b) This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ERNST & YOUNG
AF: 0039
Chartered Accountants

KUA CHOO KAI
2030/03/12(J)
Chartered Accountant

Kuala Lumpur, Malaysia
Date : 2 August 2011

STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2011

	Note	Group 2011 RM'000	Group Unaudited 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Non-current assets					
Property, plant and equipment	3	19,010	19,601	-	-
Subsidiary company	4	-	-	72,307	-
Goodwill	5	986	986	-	-
		19,996	20,587	72,307	-
Current assets					
Inventories	6	2,333	2,048	-	-
Trade and other receivables	7	5,088	11,016	5,568	-
Prepayment		106	103	23	-
Deposit with financial institution	8	10,300	2,800	-	-
Cash and bank balances	9	26,459	13,435	211	-
		44,286	29,402	5,802	-
TOTAL ASSETS		64,282	49,989	78,109	-
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	10	70,883	70,674	70,883	#
Reserves	11	(20,090)	(30,487)	7,018	(346)
Total equity		50,793	40,187	77,901	(346)
Non-current liabilities					
Deferred tax	12	1,954	871	-	-
Provision for restoration costs	13	1,028	966	-	-
		2,982	1,837	-	-
Current liabilities					
Trade and other payables	14	10,146	7,118	208	346
Provision for restoration costs	13	150	144	-	-
Taxation		211	703	-	-
		10,507	7,965	208	346
Total liabilities		13,489	9,802	208	346
TOTAL EQUITY AND LIABILITIES		64,282	49,989	78,109	-

Representing RM2.00

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2011

		Group		Company	
			Unaudited		
		1.5.2010 to 30.4.2011	1.5.2009 to 30.4.2010	1.5.2010 to 30.4.2011	21.10.2009 to 30.4.2010
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	15	71,938	60,415	5,950	-
Cost of sales		(44,721)	(37,783)	-	-
Gross profit		27,217	22,632	5,950	-
Other income		7,927	7,474	-	-
Administrative expenses		(22,569)	(19,705)	(203)	(346)
Profit/(Loss) before tax	16	12,575	10,401	5,747	(346)
Income tax expense	18	(2,382)	(1,721)	-	-
Profit/(Loss) for the year/period		10,193	8,680	5,747	(346)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year/period		10,193	8,680	5,747	(346)
Profit attributable to:					
- Equity holders of the Company		10,193	8,680	5,747	(346)
Earnings per share (sen)	19				
- Basic		7.21	6.14		
- Diluted		7.06	6.14		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2011

	Attributable to the equity holders of the Company					
		Non-distributable			Distributable	
GROUP	Share capital RM'000	Share premium RM'000	ESOS ^ reserve RM'000	Merger deficit RM'000	Retained earnings RM'000	Total equity RM'000
At 1 May 2009*	70,674	1,413	-	(55,087)	14,507	31,507
Total comprehensive income for the year	-	-	-	-	8,680	8,680
At 30 April 2010* (Unaudited)	70,674	1,413	-	(55,087)	23,187	40,187
Total comprehensive income for the year	-	-	-	-	10,193	10,193
Transactions with owners						
Share issuance expenses	-	(117)	-	-	-	(117)
ESOS options granted	-	-	314	-	-	314
ESOS options exercised	209	78	(71)	-	-	216
	209	(39)	243	-	-	413
At 30 April 2011 (Audited)	70,883	1,374	243	(55,087)	33,380	50,793

Representing RM2.00

* The acquisition of BRoasters is accounted for under the merger method of accounting. Consequently, merger related item is presented above as if the merger had been effected throughout the current and previous years in the Group's financial statements. Details are disclosed in Note 10(c).

^ This represents the Employees' Share Option Scheme.

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2011

COMPANY	Share capital RM'000	Non-distributable Share premium RM'000	Non-distributable ESOS reserve RM'000	Distributable (Accumulated losses)/ Retained earnings RM'000	Total equity RM'000
At date of incorporation	#	-	-	-	#
Total comprehensive income for the period	-	-	-	(346)	(346)
At 30 April 2010	#	-	-	(346)	(346)
Merger related item					
Arising from the acquisition of a subsidiary company	70,674	1,413	-	-	72,087
Total comprehensive income for the year	-	-	-	5,747	5,747
Transactions with owners					
Share issuance expenses	-	(117)	-	-	(117)
ESOS options granted	-	-	314	-	314
ESOS options exercised	209	78	(71)	-	216
	209	(39)	243	-	413
At 30 April 2011	70,883	1,374	243	5,401	77,901

Representing RM2.00

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED 30 APRIL 2011

	Group		Company	
		Unaudited		
	1.5.2010 to 30.4.2011 RM'000	1.5.2009 to 30.4.2010 RM'000	1.5.2010 to 30.4.2011 RM'000	21.10.2009 to 30.4.2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	71,887	68,541	-	-
Payment to suppliers and operating expenses	(53,184)	(54,820)	(224)	(224)
Payment of tax	(1,791)	(1,199)	-	-
Net cash flow generated from/(used in) operating activities	16,912	12,522	(224)	(224)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sales of property, plant and equipment	83	14	-	-
Acquisition of property, plant and equipment (Note a)	(4,240)	(4,239)	-	-
Acquisition of business operations	-	(2,680)	-	-
Interest received	708	139	-	-
Loan to related companies	(5,000)	-	-	-
Repayment from related companies	5,000	-	443	-
Repayment from holding company	7,069	-	-	-
Net cash flow generated from /(used in) investing activities	3,620	(6,766)	443	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of share capital	213	-	213	#
Dividend paid	-	(520)	-	-
Advances from other creditor	-	224	-	224
Repayment to related companies	(221)	-	(221)	-
Net cash flow (used in)/ generated from financing activities	(8)	(296)	(8)	224
NET CHANGE IN CASH AND CASH EQUIVALENTS	20,524	5,460	211	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	16,235	10,775	-	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD	36,759	16,235	211	-

#Representing RM2.00

STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED 30 APRIL 2011 (CONTINUED)

	Group		Company	
		Unaudited		
	1.5.2010 to 30.4.2011	1.5.2009 to 30.4.2010	1.5.2010 to 30.4.2011	21.10.2009 to 30.4.2010
CASH AND CASH EQUIVALENTS	RM'000	RM'000	RM'000	RM'000
The closing cash and cash equivalents comprise of the following:				
Cash and bank balances	26,459	13,435	211	-
Deposit with financial institution	10,300	2,800	-	-
	36,759	16,235	211	-

Note:

(a) The acquisition in property, plant and equipment were acquired by way of:

	Group	
	2011 RM'000	2010 RM'000
Cash	4,240	4,239
Provision for restoration cost	108	196
	4,348	4,435

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2011

1. CORPORATE INFORMATION

The principal activity of the Company is investment holding.

The principal activity of the subsidiary company is the development and operation of the "Kenny Rogers Roasters" chain of restaurants in Malaysia.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and the registered office of the Company is located at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.

On 8 March 2011, the Company was listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") as further detailed in Note 30.

The holding company is Berjaya Group Berhad ("BGroup") and the ultimate holding company is Berjaya Corporation Berhad ("BCorp"), both of which are incorporated in Malaysia.

There were no significant changes in the Group's activities during the financial year. The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 2 August 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and comply with Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial period, the Group and the Company adopted new FRSs, Amendments to FRSs and Interpretations which are mandatory as described fully in Note 2.3.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2.2 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies, which are prepared up to the end of the same financial year.

Subsidiary companies are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

Subsidiary companies are consolidated using the purchase method of accounting except for the business combination with Berjaya Roasters (M) Sdn Bhd ("BRoasters"), which was accounted for under the pooling of interests method as the business combination of this subsidiary company involved an entity under common control.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(a) Subsidiaries and basis of consolidation (continued)

Under the pooling of interests method of accounting, the results of the entities under common control are presented as if the entities had been combined throughout the current and previous financial years. The difference between the cost of acquisition and the nominal value of the share capital and reserves acquired are taken to merger reserve (or adjusted against any suitable reserve in the case of debit differences).

Under the purchase method of accounting, the results of subsidiary companies acquired during the financial year are included in the consolidated financial statements from the effective date of acquisition. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. At the Group level, provisions are made for the acquiree's contingent liabilities existing at the date of acquisition as the Group deems that it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Uniform accounting policies are adopted in the consolidated financial statements for similar transactions and other events in similar circumstances. In the preparation of the consolidated financial statements, the financial statements of all subsidiary companies are adjusted for the material effects of dissimilar accounting policies. Intragroup transactions, balances and unrealised gains and losses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

Non-controlling interests represent the portion of profit and loss, other comprehensive income and net assets in subsidiary companies not held by the Group and are presented separately in statement of comprehensive income of the Group and within equity in the statement of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the parent entity extension method, whereby, on acquisition of non-controlling interests, the difference between the consideration and the book value of the share of the net assets acquired is recognised as goodwill. Gain or loss on disposal to non-controlling interests is recognised in profit or loss.

Equity instruments and equity components of hybrid financial instruments issued by subsidiary companies but held by the Group will be eliminated on consolidation. Any difference between the cost of investment in and the value of the equity instruments or the equity components of hybrid financial instruments will be recognised immediately in equity upon elimination.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less impairment losses.

(b) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group or the Company and the cost of the item can be measured reliably.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(b) Property, plant and equipment and depreciation (continued)

The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Office equipment, smallwares and motor vehicles	20%
Computers	20%
Plant, machinery, kitchen equipment, furniture and fittings	10%
Renovation and restoration	Based on lease term

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

(c) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill is not amortised but instead, tested for impairment either individually or at the cash-generating-unit level. The indefinite useful life of the goodwill is reviewed periodically to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

(d) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis. Cost represents cost of food, beverages and materials purchased plus incidental expenses. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

(e) Impairment of non-financial assets

The carrying amounts of the Group's assets, other than inventories, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such impairment exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date or more frequently when indicators of impairment are identified.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(e) Impairment of non-financial assets (continued)

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use ("VIU"). In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in statement of comprehensive income in the year in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the fair value reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(f) Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of its financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(f) Financial assets (continued)

The category that is applicable to the Group is as follows:

(i) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(g) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(h) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

The category that is applicable to the Group is as follows:

(i) Other financial liabilities

Other financial liabilities include trade and other payables.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(i) Provisions

Provisions are recognised when the Group or the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

Provisions for restoration costs are estimated costs of dismantling, removing or restoring the property, plant and equipment at the lease inception date for operating leases with requirements to remove leasehold improvements at the end of the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(j) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, cash funds managed by a fund management related company and a licensed financial institution and deposit at call, which have an insignificant risk of changes in value.

(k) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are approved for payment.

The transaction costs of an equity transaction are accounted for as a deduction from equity. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Sale of food and beverage

Revenue relating to sale of food and beverages is recognised net of sales tax and discounts when the transfer of risks and rewards has been completed.

(ii) Royalty income

Revenue relating to royalty income is recognised on an accrual basis in accordance with the terms of the "Rights to Franchise Outlets" agreement between Roasters Asia Pacific (M) Sdn Bhd and BRoasters, a subsidiary company of the Group.

(iii) Dividend income

Dividend income from investment is recognised when the shareholders' rights to receive payment is established.

(iv) Interest income

Interest income is recognised on an accrual basis unless recoverability is in doubt.

(m) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(m) Foreign currencies (continued)

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

Exchange differences arising on the settlement of monetary items and on translating monetary items at the reporting date are recognised in profit or loss for the period.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

The principal exchange rates ruling at reporting date for one unit of foreign currency used are as follows:

Foreign currency	Currency code	2011 RM	2010 RM
Singapore Dollar	SGD	2.39	2.33
United States Dollar	USD	2.94	3.19

(n) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(n) Employee benefits (continued)

(iii) Employee share option schemes

Employees of the Group received remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share premium if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

(o) Leases

As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor if any, is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(p) Income tax

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(p) Income tax (continued)

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, except where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

(q) Segmental information

For management purposes, the Group is organised into operating segments based on their products and services which is independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(q) Segmental information (continued)

The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

(r) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event/s not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

2.3 Standards and interpretations adopted during the year

On 1 May 2010, the Company adopted the following new FRSs, Amendments to FRSs and Interpretations:

Effective for financial periods beginning on or after 1 July 2009:

- FRS 8: Operating Segments

Effective for financial periods beginning on or after 1 January 2010:

- FRS 4: Insurance Contracts
- FRS 7: Financial Instruments: Disclosures
- FRS 101: Presentation of Financial Statements (revised)
- FRS 123: Borrowing Costs
- FRS 139: Financial Instruments: Recognition and Measurement
- Amendments to FRS 1 and FRS 127: First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an investment in a Subsidiary
- Amendments to FRS 2: Share-based Payment: Vesting Conditions and Cancellations
- Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 7: Financial Instruments: Disclosures
- Amendments to FRS 8: Operating Segments
- Amendments to FRS 107: Cash Flow Statements
- Amendments to FRS 108: Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to FRS 110: Events After the Balance Sheet Date
- Amendments to FRS 116: Property, Plant and Equipment
- Amendments to FRS 117: Leases
- Amendments to FRS 118: Revenue
- Amendments to FRS 119: Employee Benefits
- Amendments to FRS 120: Accounting for Government Grants and Disclosure of Government Assistance
- Amendments to FRS 123: Borrowing Costs
- Amendments to FRS 127: Consolidated and Separate Financial Statements
- Amendments to FRS 128: Investments in Associates
- Amendments to FRS 129: Financial Reporting in Hyperinflationary Economies
- Amendments to FRS 131: Interests in Joint Ventures

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards and interpretations adopted during the year (continued)

Effective for financial periods beginning on or after 1 January 2010 (continued):

- Amendments to FRS 132: Financial Instruments: Presentation
- Amendments to FRS 134: Interim Financial Reporting
- Amendments to FRS 136: Impairment of Assets
- Amendments to FRS 138: Intangible Assets
- Amendments to FRS 139, FRS 7 and IC Interpretation 9: Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives
- Amendments to FRS 140: Investment Property, Improvement to FRSs (2009)
- Improvements to FRSs "Improvements to FRSs (2010)"
- IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 10: Interim Financial Reporting and Impairment
- IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions
- IC Interpretation 13: Customer Loyalty Programmes
- IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- Technical Release i-3: Presentation of Financial Statements of Islamic Financial Institutions

Effective for financial periods beginning on or after 1 March 2010:

- Amendments to FRS 132: Classification of Right Issues

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the statement of changes in equity will now only include details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income.

The standard also introduces the statement of comprehensive income; presenting all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company has elected to present in one single statement.

In addition, the adoption of the standard has resulted in the balance sheet now being renamed as statement of financial position.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital (Note 29).

There is no impact on the results of the Group and the Company since these changes affect only the presentation of items of income and expense.

FRS 139: Financial Instruments: Recognition and Measurement

The new standard on FRS 139: Financial Instruments: Recognition and Measurement establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards and interpretations adopted during the year (continued)

Effective for financial periods beginning on or after 1 March 2010 (continued):

The adoption of FRS 139 does not have any significant impact to the financial statements of the Group and the Company.

FRS 7: Financial Instruments: Disclosures

Prior to 1 May 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132: Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 30 April 2011.

2.4 Standards and interpretations issued but not early adopted

At the date of authorisation of these financial statements, the following new FRSs, Amendments to FRSs and Interpretations were issued but not early adopted and have not been applied by the Group and the Company.

Effective for financial periods beginning on or after 1 July 2010:

- FRS 1: First-time Adoption of Financial Reporting Standards
- FRS 3: Business Combinations
- FRS 127: Consolidated and Separate Financial Statements
- IC Interpretation 12: Service Concession Arrangements
- IC Interpretation 15: Agreements for the Construction of Real Estate
- IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17: Distributions of Non-cash Assets to Owners
- Amendments to FRS 2: Share-based Payment
- Amendments to FRS 5: Non-Current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 138: Intangible Assets
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- TR 3: Guidance on Disclosures of Transition to IFRSs
- TR i-4: Shariah Compliant Sale Contracts

Effective for financial periods beginning on or after 30 August 2010:

- Amendments to IC Interpretation 15: Agreements for the Construction of Real Estate

Effective for financial periods beginning on or after 1 January 2011:

- Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Amendments to FRS 1: Additional Exemptions for First-time Adopters
- Amendments to FRS 1: First-Time Adoption of Financial Reporting Standards
- Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Standards and interpretations issued but not early adopted continued)

Effective for financial periods beginning on or after 1 January 2011 (continued):

- Amendments to FRS 3: Business Combinations
- Amendments to FRS 7: Improving Disclosures about Financial Instruments
- Amendments to FRS 7: Financial Instruments-Disclosures
- Amendments to FRS 101: Presentation of Financial Statements
- Amendments to FRS 121: The Effects of Changes in Foreign Exchange Rates
- Amendments to FRS 128: Investments in Associates
- Amendments to FRS 131: Interests in Joint Ventures
- Amendments to FRS 132: Financial Instruments: Presentation
- Amendments to FRS 134: Interim Financial Reporting
- Amendments to FRS 139: Financial Instruments: Recognition and Measurement
- IC Interpretation 4: Determining Whether an Arrangement contains a Lease
- IC Interpretation 18: Transfers of Assets from Customers
- Amendments to IC Interpretation 13: Customer Loyalty Programmes

Effective for financial periods beginning on or after 1 July 2011:

- IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement

Effective for financial periods beginning on or after 1 January 2012:

- Amendments to FRS 124: Related Party Disclosures
- IC Interpretation 15: Agreements for the Construction of Real Estate
- Amendments to IC Interpretation 15: Agreements for the Construction of Real Estate

The new FRSs, Amendments to FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application.

2.5 Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Critical judgements made in applying accounting policies

The following are the judgements made by the management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements (continued)

(a) Critical judgements made in applying accounting policies (continued)

(i) Recognition of service income

Service charge is charged on the basis of a certain percentage of the revenue relating to food and beverage for in-house dining. A certain percentage of the amount is recognised in other income by the Group as it relates to additional income received for services rendered to the customers. The remainder is to be distributed to the employees. The amount of service charge recognised as other income for the year is RM5,730,000 (2010: RM5,312,000).

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Provision for restoration costs

The Group leases retail stores under operating leases. The Group provides for an estimate of restoration costs at the lease inception date for operating leases with requirements to remove leasehold improvements at the end of the lease term.

Estimating restoration costs involves subjective assumptions regarding both the amount and timing of actual future restoration costs. Future actual costs could differ significantly from amounts initially estimated.

(ii) Goodwill

The Group determines whether goodwill is impaired at least on a periodic basis. This requires an estimation of the VIU of the CGU to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Details of goodwill are disclosed in Note 5.

(iii) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters are different from the amounts initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income tax expense are disclosed in Note 18.

(iv) Employee share options

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions, and the carrying amounts are disclosed in Note 22.

3. PROPERTY, PLANT AND EQUIPMENT

GROUP

As at 30 April 2011 At Net Carrying Amount	Office equipment, furniture and fittings and motor vehicles RM'000	Computer RM'000	Plant, machinery, kitchen equipment and smallwares RM'000	Renovations and restoration RM'000	Total RM'000
At 1.5.10	3,229	608	6,900	8,864	19,601
Additions	598	289	1,803	1,658	4,348
Disposals	(9)	-	-	(3)	(12)
Depreciation charge for the year	(861)	(191)	(1,055)	(2,602)	(4,709)
Write off	(11)	-	(46)	(161)	(218)
At 30.4.11	2,946	706	7,602	7,756	19,010
As at 30 April 2010 (Unaudited)					
At Net Carrying Amount					
At 1.5.09	3,322	545	6,239	7,858	17,964
Additions	568	231	1,005	2,631	4,435
Acquisition of business operations	133	44	649	842	1,668
Depreciation charge for the year	(807)	(158)	(931)	(2,238)	(4,134)
Disposals	*	-	-	-	-
Write off	(41)	-	(62)	(229)	(332)
Reclassification	54	(54)	-	-	-
At 30.4.10	3,229	608	6,900	8,864	19,601

(* The Group disposed of some motor vehicles which have been fully depreciated)

GROUP

As at 30 April 2011					
Cost	5,978	1,408	13,700	15,558	36,644
Accumulated depreciation	(3,032)	(702)	(6,098)	(7,802)	(17,634)
Net carrying amount	2,946	706	7,602	7,756	19,010
As at 30 April 2010 (Unaudited)					
Cost	5,889	1,118	12,163	14,588	33,758
Accumulated depreciation	(2,660)	(510)	(5,263)	(5,724)	(14,157)
Net carrying amount	3,229	608	6,900	8,864	19,601

Included in property, plant and equipment of the Group are fully depreciated assets which are still in use costing about RM 8,835,000 (2010: RM 3,330,000).

4. SUBSIDIARY COMPANY

	Company 2011 RM'000	Company 2010 RM'000
Unquoted shares in Malaysia, at cost	72,087	-
ESOS granted to employees of subsidiary company	220	-
	72,307	-

The Group's effective equity interest in the subsidiary company, its respective activities and country of incorporation are shown below:

Name	Country of incorporation	Principal activities	Effective interest (%) 2011	Effective interest (%) 2010
Held by the Company:				
Berjaya Roasters (M) Sdn Bhd	Malaysia	Development and operation of the "Kenny Roger Roasters" chain of restaurants in Malaysia	100	-

The Company had on 19 January 2011, completed the acquisition of the entire issued and paid-up share capital of BRoasters comprising 17,000,000 ordinary shares of RM1.00 each from BGroup for a purchase consideration of RM72,087,478 which was settled by the issuance of 141,347,996 shares of RM0.50 each of the Company to BGroup at the issue price of RM0.51 per share.

Subsequent to the financial year end, the Company incorporated Berjaya Food (International) Sdn Bhd with an issued and paid up share capital of RM2.00.

Except for the above, no further quantitative disclosures are made in respect of the abovementioned acquisition subsequent to the current financial year end, as this acquisition does not have any material effect on the financial position of the Group.

5. GOODWILL

	Group 2011 RM'000	Unaudited 2010 RM'000
Arising from acquisition of business operations	986	986

(a) Acquisition of business operations

On 1 September 2009, BRoasters acquired two business operations which are involved with development and operation of the "Kenny Rogers Roasters" chain of restaurants. The cost of acquisition for both the operations amounted to RM2,680,000.

The acquired business operations contributed the following results to BRoasters :

	1.9.2009 to 30.4.2010 RM'000
Revenue	3,029
Profit for the period	895

The assets arising from the acquisition are as follows:

	Fair value and acquirees' carrying amount recognised on acquisition RM'000
Property, plant and equipment (Note 3)	1,668
Inventories	26
Fair value and Group's share of net assets	1,694
Goodwill	986
Total cost and cash outflow of the acquisition	2,680

(b) There were no acquisitions in the financial year ended 30 April 2011 and subsequent to 30 April 2011.

(c) During the financial year, the Group carried out a review of the recoverable amount of goodwill and the review has not led to any impairment losses during the financial year.

5. GOODWILL (CONTINUED)

(d) Impairment testing on goodwill

Key assumptions used in VIU calculation

The recoverable amount of a CGU is determined based on VIU calculation using cash flow projections based on financial budgets covering a three-year period. The key assumptions used for VIU calculations are:

(i) Budgeted gross margin and growth rate

The basis used to determine the value assigned to the budgeted gross margins and growth rate is the average gross margin and average growth rate achieved in the years before the budgeted year and adjusted for expected efficiency improvements.

(ii) Discount rate

The discount rate used reflects specific risks relating to the Group. The significant post-tax discount rate, applied to post-tax cash flows is 17%.

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

6. INVENTORIES

	Group	
		Unaudited
	2011	2010
	RM'000	RM'000
At cost:		
Food and beverages	1,780	1,463
Paper and packaging	102	98
Spares and other supplies	451	487
	2,333	2,048

The cost of inventories recognised as an expense during the financial year in the Group amounted to RM20,285,000 (2010: RM17,028,000).

7. TRADE AND OTHER RECEIVABLES

	Group 2011 RM'000	Group Unaudited 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Trade receivables	101	50	-	-
Other receivables				
Deposits	4,611	4,151	-	-
Sundry receivables	347	82	61	-
Amount owing by:				
- related companies	29	87	-	-
- subsidiary company	-	-	5,507	-
- holding company	-	6,646	-	-
	4,987	10,966	5,568	-
Total trade and other receivables	5,088	11,016	5,568	-

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or groups of debtors.

The trade receivables are in respect of customers using credit card transactions and are aged within 6 (2010: 6) days. None of the Group's trade and sundry receivables are neither past due nor impaired.

The sundry receivables are non-interest bearing and generally on 30 days (2010: 30 days) terms.

The amounts owing by related companies and subsidiary company are unsecured, non interest-bearing and repayable on demand.

In the previous financial period, the amount owing by holding company to the Group was unsecured, interest-bearing and repayable on demand.

8. DEPOSIT WITH FINANCIAL INSTITUTION

	Group		Company	
		Unaudited		
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposit with a licensed bank	10,300	2,800	-	-

The maturity of deposit of the Group as at reporting date was 7 (2010: 7) days. The interest rate as at reporting date was 2.2% (2010: 1.7%) per annum.

9. CASH AND BANK BALANCES

	Group		Company	
		Unaudited		
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash and bank balances	13,413	13,095	211	-
Cash funds	13,046	340	-	-
	26,459	13,435	211	-

Cash at banks earn interest at floating rates based on daily bank deposit rates. The range of interest rates as at reporting date was 2.74% – 3.06% (2010: 2.39%) per annum.

10. SHARE CAPITAL

	Company			
	Number of shares		Share capital	
	2011 '000	2010 '000	2011 RM'000	2010 RM'000
Ordinary shares of RM 0.50 each				
Authorised:				
At beginning of year/date of incorporation (Note a)	1,000,000	100	500,000	100
Sub-division of shares (Note b)	-	100	-	-
Created during the year/period	200,000	999,800	100,000	499,900
At 30 April	1,200,000	1,000,000	600,000	500,000

10. SHARE CAPITAL (CONTINUED)

	Group			
	Number of shares		Share capital	
		Unaudited		Unaudited
	2011 '000	2010 '000	2011 RM'000	2010 RM'000
Issued and fully paid:				
At beginning of year	141,348	141,348	70,674	70,674
Employees' share options exercised	418	-	209	-
At end of year	141,766	141,348	70,883	70,674

	Company			
	Number of shares		Share capital	
	2011 '000	2010 '000	2011 RM'000	2010 RM'000
Issued and fully paid:				
At beginning of year/date of incorporation (Note a)	@@	@	#	#
Sub-division of shares (Note b)	-	@	-	-
	@@	@@	#	#
Issued as consideration for the aquisition of a subsidiary company during the year (Note c)	141,348	-	70,674	-
Employees' share options exercised	418	-	209	-
At end of year/period	141,766	@@	70,883	#

\# Representing RM 2.00
@ Representing 2 shares
@@ Representing 4 shares of RM0.50 each (After subdivision)

Notes:

(a) At the date of incorporation of the Company on 21 October 2009, the par value of the ordinary shares of the Company was RM1.00 per share.

(b) On 28 October 2009, the authorised ordinary share capital of the Company was sub-divided from 100,000 ordinary shares of RM1.00 each into 200,000 ordinary shares of RM0.50 each.

(c) On 19 January 2011, the Company issued 141,348,000 ordinary shares of RM0.50 each at an issue price of RM0.51 per share as consideration for the acquisition of BRoasters, which is accounted for using the merger method of consolidation. Consequently, for the Group, this issue is presented above as if it had already been effected prior to the first day of the previous accounting period. The comparative figure for the issued and paid up share capital of the Group has therefore been restated accordingly.

11. RESERVES

	Group 2011 RM'000	Group Unaudited 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Share premium	1,374	1,413	1,374	-
Merger deficit (Note a)	(55,087)	(55,087)	-	-
ESOS reserve	243	-	243	-
	(53,470)	(53,674)	1,617	-
Retained earnings/ (accumulated losses) (Note b)	33,380	23,187	5,401	(346)
	(20,090)	(30,487)	7,018	(346)

Notes:

(a) Merger deficit

Merger deficit represents the difference between the carrying value of the Company's cost of investment in subsidiary company and the nominal value of share capital of the subsidiary company acquired.

(b) The Company may distribute dividend out of its entire retained earnings as at 30 April 2011 under the single-tier system.

12. DEFERRED TAX

	Group 2011 RM'000	Group Unaudited 2010 RM'000
At beginning of the year	871	777
Recognised in profit or loss (Note 18)	1,083	94
At end of the year	1,954	871

Presented after appropriate offsetting as below:

	Group 2011 RM'000	Group Unaudited 2010 RM'000
Deferred tax assets	(75)	(60)
Deferred tax liabilities	2,029	931
	1,954	871

12. DEFERRED TAX (CONTINUED)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

GROUP	Property, plant and equipment RM'000	Provision RM'000	Total RM'000
At 1 May 2010	931	(60)	871
Recognised in profit or loss	1,098	(15)	1,083
At 30 April 2011	2,029	(75)	1,954
(Unaudited)			
At 1 May 2009	815	(38)	777
Recognised in profit or loss	116	(22)	94
At 30 April 2010	931	(60)	871

13. PROVISION FOR RESTORATION COSTS

	Group	
	2011 RM'000	Unaudited 2010 RM'000
At beginning of year	1,110	938
Additional provision	108	196
Utilisation of provision	(40)	(24)
At end of year	1,178	1,110
Current	150	144
Non-current	1,028	966
	1,178	1,110

Provision for restoration costs is made based on the estimation of restoration of premises arising from the use of such premises, which are included in the cost of property, plant and equipment.

14. TRADE AND OTHER PAYABLES

	Group		Company	
		Unaudited		
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade payables	3,295	2,982	-	-
Other payables	5,332	2,280	-	224
Accruals	1,516	1,856	205	122
Amount owing to:				
- related companies	2	-	2	-
- holding company	1	-	1	-
	10,146	7,118	208	346

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 - 45 days (2010: 30 - 45 days) terms.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on 30 - 45 days (2010: 30 - 45 days) terms.

(c) The amounts owing to related companies and holding company are unsecured, non interest-bearing and repayable on demand.

15. REVENUE

Revenue consists of the following:

	Group		Company	
		Unaudited		
	1.5.2010 to 30.4.2011 RM'000	1.5.2009 to 30.4.2010 RM'000	1.5.2010 to 30.4.2011 RM'000	21.10.2009 to 30.4.2010 RM'000
Sale of food and beverages	71,938	60,415	-	-
Dividends	-	-	5,950	-
	71,938	60,415	5,950	-

16. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
		Unaudited		
	1.5.2010 to 30.4.2011 RM'000	1.5.2009 to 30.4.2010 RM'000	1.5.2010 to 30.4.2011 RM'000	21.10.2009 to 30.4.2010 RM'000
Profit/(loss) before tax is arrived at after charging:				
Directors' remuneration (Note 17)				
- emoluments (excluding benefits-in-kind)	340	344	97	-
- fees	57	-	57	-
Auditors' remuneration				
- statutory audit fee	65	26	20	1
- under/(over) provision in prior years	20	(10)	-	-
- fees for non audit services	17	65	-	60
Depreciation of property, plant equipment	4,709	4,134	-	-
Property, plant and equipment written off	218	332	-	-
Rental expenses				
- related companies	895	892	-	-
- others	10,424	8,957	-	-
Royalty expenses payable to a related company	468	393	-	-
Staff costs (Note a)	18,678	15,715	-	-
Loss on foreign exchange				
- realised	5	11	-	-
and crediting:				
Gain on sale of property, plant and equipment	71	14	-	-
Royalty fee income	423	423	-	-
Reversal of provision of doubtful debts	-	37	-	-
Interest income:				
- holding company	356	492	-	-
- related companies	130	152	-	-
- others	222	42	-	-

16. PROFIT/(LOSS) BEFORE TAX (CONTINUED)

(a) Staff costs consists of the following:

	Group		Company	
		Unaudited		
	1.5.2010 to 30.4.2011 RM'000	1.5.2009 to 30.4.2010 RM'000	1.5.2010 to 30.4.2011 RM'000	21.10.2009 to 30.4.2010 RM'000
Wages, salaries and allowances	13,676	11,841	-	-
Social security costs and employees insurance	232	197	-	-
Bonuses	1,209	852	-	-
Pension costs				
- defined contribution plans	1,661	1,415	-	-
Provision for short term compensated absences	59	87	-	-
Share option granted under ESOS	220	-	-	-
Other staff related expenses	1,621	1,323	-	-
	18,678	15,715	-	-

Staff costs exclude remuneration of executive directors.

17. DIRECTORS' REMUNERATION

The aggregate directors' remuneration paid or payable to all directors of the Group and of the Company categorised into appropriate components for the financial year are as follows:

	Group		Company	
		Unaudited		
	1.5.2010 to 30.4.2011 RM'000	1.5.2009 to 30.4.2010 RM'000	1.5.2010 to 30.4.2011 RM'000	21.10.2009 to 30.4.2010 RM'000
Directors of the Company				
Executive				
Share option granted under ESOS	83	-	83	-
Non-executive				
Fees	57	-	57	-
Other emoluments	1	-	1	-
Share option granted under ESOS	13	-	13	-
	71	-	71	-
Other directors of the Group				
Salaries and other emoluments	243	344	-	-
Benefits-in-kind	5	7	-	-
	248	351	-	-
Total directors' remuneration	402	351	154	-

18. INCOME TAX EXPENSE

	Group		Company	
		Unaudited		
	1.5.2010 to 30.4.2011 RM'000	1.5.2009 to 30.4.2010 RM'000	1.5.2010 to 30.4.2011 RM'000	21.10.2009 to 30.4.2010 RM'000
Malaysian income tax:				
Current income tax	2,316	2,237	-	-
Over provision in prior years	(1,017)	(610)	-	-
	1,299	1,627	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	303	333	-	-
Under/(Over) provision in prior years	780	(239)	-	-
	1,083	94	-	-
Income tax expense	2,382	1,721	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

	Group		Company	
		Unaudited		
	1.5.2010 to 30.4.2011 RM'000	1.5.2009 to 30.4.2010 RM'000	1.5.2010 to 30.4.2011 RM'000	21.10.2009 to 30.4.2010 RM'000
Profit/(loss) before tax	12,575	10,401	5,747	(346)
Applicable tax rate (%)	25	25	25	25
Taxation at applicable tax rate	3,144	2,601	1,437	(86)
Income not subject to tax	(13)	-	(1,488)	-
Expenses not deductible under tax legislation	450	719	51	86
Over provision of income tax in prior years	(1,017)	(610)	-	-
Under/(Over) provision of deferred tax in prior years	780	(239)	-	-
Group relief	(962)	(750)	-	-
Income tax expense	2,382	1,721	-	-

19. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group 2011 RM'000	Group Unaudited 2010 RM'000
Profit attributable to equity holders	10,193	8,680
Weighted average number of ordinary shares in issue	141,371	141,348
Basic earnings per share (sen)	7.21	6.14

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year, have been adjusted for the dilutive effects of the dilutive instruments of the Group.

	Group 2011 RM'000	Group Unaudited 2010 RM'000
Profit attributable to equity holders	10,193	8,680
Weighted average number of ordinary shares in issue	141,371	141,348
Assumed shares issued from the exercise of employees' share options	2,996	-
Adjusted weighted average number of ordinary shares	144,367	141,348
Diluted earnings per share (sen)	7.06	6.14

20. DIVIDENDS

	Company 2011 Net dividend per share Sen	Company 2011 Net dividend RM'000	Company 2010 Net dividend per share Sen	Company 2010 Net dividend RM'000
In respect of current year				
- First interim dividend of 6% single-tier exempt dividend approved in respect of financial year ended 30 April 2011	3.00	4,257	-	-

The financial statements for the current financial year do not reflect the above dividend. This dividend will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 30 April 2012.

21. SEGMENTAL INFORMATION

The Group operates in a single industry in the business of development and operation of the "Kenny Rogers Roasters" chain of restaurants as disclosed in Note 4 and principally in Malaysia. Accordingly, the financial information by industry and geographical segments of the Group's operations are not presented.

22. EMPLOYEES' SHARE OPTION SCHEME

The ESOS was approved by the shareholders at an Extraordinary General Meeting held on 14 January 2011. The ESOS is administered by a committee ("ESOS Committee").

All confirmed employees are entitled to a grant of options. The Grantee is an eligible employee who has accepted the offer of the options. The aggregate number of shares which a Grantee can subscribe under his option in a particular year shall at all times be subject to a maximum of twenty per cent of the total number of shares comprising the options held by such Grantee. However, options which are exercisable in a particular year can be carried forward and be exercised in the subsequent years. The exercise price of the first offer of the share options is equal to the initial public offer price of the shares in the Company and for subsequent offers, the subscription price shall be the five-day weighted average market price of the shares in the Company on the date of offer, with a discount not exceeding ten per cent or at par value of the shares, whichever is higher. The ESOS is for a period of five (5) years from the effective date which is 8 March 2011. The ESOS Committee shall have the discretion to extend the tenure of the ESOS for another five (5) years or such shorter period as it deems fit immediately from the expiry of the first five (5) years. There are no cash settlement alternatives.

Movement of share options during the financial year

The following table illustrates the number ("No.") and exercise price ("EP") of, and movements in, share options during the financial year.

	Group 2011 No.	Group 2011 EP (RM)
Outstanding at beginning of year	-	-
- Granted	7,420,000	0.51
- Forfeited	(87,000)	0.51
- Exercised	(418,000)	0.51
Outstanding at end of year	6,915,000	0.51
Exercisable at end of year	1,048,600	0.51

- The fair value of options granted during the financial year was estimated to be RM0.17.
- The weighted share price at the date of exercise of the options exercised during the financial year was RM1.00.
- The exercise price for options outstanding at the end of the year was RM0.51 per share. The remaining contractual life for these options is 4.85 years.

Fair value of share options granted

The fair value of the share options granted is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the instruments were granted.

22. EMPLOYEES' SHARE OPTION SCHEME (CONTINUED)

The following table lists the inputs to the option pricing model.

	2011
Dividend yield (%)	5.20
Expected volatility (%)	37.55
Risk-free interest rate (% p.a)	3.51
Expected life of options (Years)	5
Underlying share price (RM)	0.635

The expected life of the options is based on the contractual life of the options. The expected volatility reflects the assumption that the historical volatility, over a period similar to the life of the options, is indicative of future trends, which may not necessarily be the actual outcome.

23. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the transactions detailed in Note 16, the Group had the following transactions with related parties during the financial year:

	Group	
		Unaudited
	2011 RM'000	2010 RM'000
Project management service provided to Berjaya Books Sdn. Bhd. *	-	(35)
Purchase of cleaning material from Kimia Suchi Marketing Sdn. Bhd. *	165	153
Promotion and advertising expenses charged by Sun Media Corporation Sdn. Bhd. **	292	273
Purchase of motor vehicle, component parts and other related products and services from Dunia Prestasi Auto Sdn. Bhd. **	140	223

Notes:
* Subsidiary companies of BCorp group
** Associate companies of BCorp group

The purchase of products such as cleaning material and rendering of services by related companies to the Group were made according to published prices and on terms and conditions which are not materially different from those normally offered by the related companies to their major customers.

Other related party transactions are entered into based on mutually agreed terms between the related parties.

24. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel are the directors of the Company. The remuneration received by the key management personnel are disclosed in Note 17.

25. COMMITMENTS

	Group 2011 RM'000	Unaudited 2010 RM'000
Capital expenditure		
Property, plant and equipment and others		
- approved and contracted for	1,989	767
- approved but not contracted for	11,590	9,686
	13,579	10,453

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the reporting date but not recognised as liabilities are as follows:

	Group 2011 RM'000	Unaudited 2010 RM'000
Non-cancellable operating lease commitments as lessees		
- Within 1 year after reporting date	470	-
- Later than 1 year but not more than 5 years	704	-
	1,174	-

26. CONTINGENT LIABILITY

	Group 2011 RM'000	Unaudited 2010 RM'000
Unsecured		
Bank guarantees issued to third parties	310	310

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

(i) Determination of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values:

Current	Note
Trade and other receivables	7
Trade and other payables	14

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

27. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Classification of financial instruments

The following table analyses the financial assets and financial liabilities in the statement of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

GROUP	Note	Loan and receivables RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
2011				
Assets				
Trade and other receivables	7	5,088	-	5,088
Deposit with financial institution	8	10,300	-	10,300
Cash and bank balances	9	26,459	-	26,459
Total financial assets		41,847	-	41,847
Total non-financial assets				22,435
Total assets				64,282
Liabilities				
Trade and other payables, representing total financial liabilities	14	-	10,146	10,146
Total non-financial liabilities				3,343
Total liabilities				13,489
2010 (Unaudited)				
Assets				
Trade and other receivables	7	11,016	-	11,016
Deposit with financial institution	8	2,800	-	2,800
Cash and bank balances	9	13,435	-	13,435
Total financial assets		27,251	-	27,251
Total non-financial assets				22,738
Total assets				49,989
Liabilities				
Trade and other payables, representing total financial liabilities	14	-	7,118	7,118
Total non-financial liabilities				2,684
Total liabilities				9,802

27. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Classification of financial instruments (continued)

COMPANY

	Note	Loan and receivables RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
2011				
Assets				
Trade and other receivables	7	5,568	-	5,568
Cash and bank balances	9	211	-	211
Total financial assets		5,779	-	5,779
Total non-financial assets				72,330
Total assets				78,109
Liabilities				
Trade and other payables, representing total financial liabilities and total liabilities	14	-	208	208
2010				
Liabilities				
Trade and other payables, representing total financial liabilities and total liabilities	14	-	346	346

28. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Group operates within clearly defined guidelines and the Group's policy is not to engage in speculative transactions.

(a) Credit risk

The Group's credit risk is primarily attributable to credit card sales. The Group trades only with recognised and creditworthy card centres.

The Group's sales are mainly on cash basis, as such, it is not exposed to significant credit risks in relation to its sales. Credit risks, or the risk of counterparties defaulting are minimized and monitored via strictly limiting the Group's associations to business partners with high creditworthiness.

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

The Group does not have any significant exposure to any individual customer or counter party nor does it have any major concentration of credit risk related to any financial instrument.

<u>Financial assets that are neither past due nor impaired</u>

Information regarding trade and other receivables and amounts due from holding company and other related companies that are neither past due nor impaired is disclosed in Note 7. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

<u>Financial assets that are either past due or impaired</u>

The Group does not have any trade and other receivables that are either past due or impaired.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funds so as to ensure that all refinancing, repayment and funding needs are met. As part of the Group's liquidity management, it maintains sufficient levels of cash and seeks co-operation and support from its suppliers and vendors to meet its working capital requirements.

<u>Analysis of financial instruments by remaining contractual maturities</u>

The Group's trade and other payables are either repayable on demand or mature within one year.

28. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

Sensitivity analysis for interest rate risk

The Group has no interest bearing borrowings as at the reporting date while contribution from interest income is insignificant. As such, the Group is not sensitive to interest rate risk.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transaction currency exposure arising from purchases that are denominated in United States Dollar ("USD") and Singapore Dollar ("SGD"). Approximately 1.3% of the Company's cost of sales are denominated in foreign currencies. The Company's foreign exchange exposures in transactional currencies are kept to a minimal level.

Sensivity analysis for foreign currency risk

The Group has minimal purchases denominated in foreign currencies. As such, the Group is not sensitive to foreign currency risk.

29. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maintain an optimal capital structure in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic condition. To maintain or adjust its capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

30. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

During the financial year, the Company undertook the following proposals:

(a) On 19 January 2011, the Company completed the acquisition of the entire issued and paid-up share capital of BRoasters comprising 17,000,000 ordinary shares of RM1.00 each from BGroup for a purchase consideration of RM72,087,478 which was settled by the issuance of 141,347,996 new shares of RM0.50 each of the Company to BGroup at the issue price of RM0.51 per share.

(b) The Company issued its Prospectus on 18 February 2011 in conjunction with the listing of and quotation of its entire and paid-up share capital on the Main Market of Bursa Securities pursuant to the offer for sale ("OFS") by BGroup. The OFS involved the following:-

(i) 14,134,800 offer shares available for placement to Bumiputera investors approved by the Ministry of International Trade and Industry;

(ii) 9,734,800 offer shares available for private placement to selected investors;

(iii) 3,533,700 offer shares available for application by the Bumiputera public;

(iv) 3,533,700 offer shares available for application by the Malaysian public; and

(v) 4,900,000 offer shares available for application by the eligible directors, employees and business associates of BFood and its subsidiary company,

at an offer price of RM0.51 per offer share payable in full upon application.

The OFS closed on 25 February 2011 and the Company's entire issued and fully paid-up share capital was listed on the Main Market of Bursa Securities on 8 March 2011.

31. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END

(1) On 26 July 2011, the Company announced that it has entered into a conditional joint venture agreement with PT Mitra Samaya, Indonesia ("MS"), PT Harapan Swasti Sentosa ("HSS"), Indonesia and PT Boga Lestari Sentosa, Indonesia ("PT Boga") to develop and operate the Kenny Rogers Roasters ("KRR") franchise in Java island and Bali, Indonesia under PT Boga.

The proposed joint venture comprises the following:

(i) The Company, via Berjaya Food (International) Sdn Bhd now a wholly owned subsidiary company of the Company, proposes to acquire 51% of the enlarged issued share capital in PT Boga for a cash consideration of Indonesian rupiah ("IDR") 5.53 billion (equivalent to about RM1.91 million);

(ii) On completion of the above proposed acquisition, PT Boga shall undertake a proposed rights issue whereby MS and HSS collectively and the Company shall subscribe for their rights entitlement of IDR 5.53 billion (equivalent to RM1.91 million) and IDR 5.76 billion (equivalent to RM1.99 million) respectively in full to raise funds for working capital;

31. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END (CONTINUED)

(iii) The Company will also provide a shareholder's loan of up to IDR 17.61 billion (equivalent to about RM6.09 million) to PT Boga for a period of 7 years for the development of the KRR brand and opening of future KRR restaurants in Indonesia; and

(iv) The Company will have an option to increase its equity interest in PT Boga from 51% to 70% at an average option price of IDR 943,000 per PT Boga share (based on option to be exercised in full). This proposed option shall be for a period of 7 years and is exercisable anytime upon obtaining the approvals from the relevant authorities.

(2) On 27 July 2011, the Company announced that it had incorporated Berjaya Food (International) Sdn Bhd with an issued and paid up share capital of RM2.00 to undertake the proposed joint venture to develop the KRR business in Indonesia.

32. COMPARATIVES

(a) Group

The acquisition of the subsidiary company by the Company on 19 January 2011 has been accounted for using merger accounting. Under merger accounting, the comparative financial information for the consolidated financial statements have been prepared as if the merger had been effected throughout the current and previous financial years.

The comparative figures have not been audited.

(b) Company

The current financial year covers a period from 1 May 2010 to 30 April 2011 with comparatives covering a period from 21 October 2009 (date of incorporation) to 30 April 2010. The comparative figures for the statement of comprehensive income, statement of changes in equity, statement of cash flow and the related notes are not of comparable periods.

33. SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

The breakdown of the retained profits of the Group and of the Company as at 30 April 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Securities dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants.

As at 30 April 2011	**Group RM'000**	**Company RM'000**
Realised profits	35,334	5,401
Unrealised losses	(1,954)	-
Total retained profits	33,380	5,401
Less: Consolidated adjustments	-	-
Retained earnings as per financial statements	33,380	5,401

for the financial year ended 30 April 2011

The class and nature of the Recurrent Related Party Transactions of Berjaya Food Group are tabulated as follows:

BFood Group with the following Related Parties	Nature of transactions undertaken by BFood and/or its unlisted subsidiary	Amount transacted from 8.3.11-30.4.11 (RM'000)
Berjaya Corporation Berhad ("BCorp") and/or its unlisted subsidiaries:-		
Berjaya Registration Services Sdn Bhd	Receipt of share registration services by BFood	2
Roasters Asia Pcific (M) Sdn Bhd	Royalty fee payable by BRoasters	82
	Income receivable pursuant to the rights awarded by BRoasters for granting of franchises to the Independent Franchisees	81
Securexpress Services Sdn Bhd	Provision of transportation services to BRoasters	9
Total		174
Berjaya Land Berhad ("BLand") and/or its unlisted subsidiary:-		
Cempaka Properties Sdn Bhd	Rental payable at RM 8,368 per month for renting of shoplot by BRoasters at Lot G-83 (Ground Floor) and concourse area at Lot CCS-B-Bay 5A, Berjaya Megamall, Kuantan. Tenure of the rental agreement is for a period of 3 years and renewable thereafter	15
Total		15
Berjaya Assets Berhad ("BAssets") and/or its unlisted subsidiary:-		
Berjaya Times Square Sdn Bhd	Rental payable at RM 30,195 per month for renting of shoplot by BRoasters at Lot 03-85, Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years and renewable thereafter	54
	Rental payable at RM 17,928 per month for renting of office by BRoasters at Lots 09-06 to 09-13, 9th Floor, Berjaya Times Square, No.1, Jalan Imbi, Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years and renewable thereafter	32
	Parking charges payable by BRoasters	5
Total		91

for the financial year ended 30 April 2011

BFood Group with the following Related Parties	Nature of transactions undertaken by BFood and/or its unlisted subsidiary	Amount transacted from 8.3.11-30.4.11 (RM'000)
Cosway Corporation Limited ("CCL") and/or its unlisted subsidiary		
Kimia Suchi Marketing Sdn Bhd	Purchase of cleaning chemical products by BRoasters	30
Total		30
Other related parties:-		
Qinetics Solutions Berhad (a)	Purchase of hardware, software and network equipment by BRoasters	8
Dunia Prestasi Auto Sdn Bhd (b)	Purchase of motor vehicles and related products and services by BRoasters	4
Total		12
Grand Total		**322**

Notes:

a. Qinetics Solutions Berhad is a 98.36% owned subsidiary of MOL.com Sdn Bhd. The Major Shareholders of BFood, namely, BCorp and Tan Sri Dato' Seri Vincent Tan Chee Yioun, are also Major Shareholders of Qinetics Solutions Berhad by virtue of their interests in MOL.com Sdn Bhd.

b. An associated company of BCorp Group.

OTHER INFORMATION

Material Contracts

Other than as disclosed in Notes 7, 14, 15, 16, 23, 25, 26, 30 and 31 to the financial statements for the financial year ended 30 April 2011, there were no other material contracts entered into by Berjaya Food Berhad and its subsidiary company, involving Directors and major shareholders.

Additional Information

The amount of non-audit fees incurred for services rendered to the Group for the financial year ended 30 April 2011 amounted to RM17,000.

Statement of Directors' Shareholdings as at 27 July 2011

The Company

	Number of ordinary shares of RM0.50 each			
	Direct Interest	%	Deemed Interest	%
Dato' Robin Tan Yeong Ching	150,000	0.11	-	-
Dato' Lee Kok Chuan	100,000	0.07	-	-
Tan Thiam Chai	100,000	0.07	-	-
Dato' Mustapha Bin Abd Hamid	100,000	0.07	-	-

	Number of ordinary shares of RM0.50 each under employees' share option scheme			
	Direct Interest	%	Deemed Interest	%
Dato' Robin Tan Yeong Ching	950,000	0.67	-	-
Dato' Lee Kok Chuan	950,000	0.67	-	-
Datuk Zainun Aishah Binti Ahmad	100,000	0.07	-	-
Tan Thiam Chai	100,000	0.07	-	-
Dato' Mustapha Bin Abd Hamid	100,000	0.07	-	-

Ultimate Holding Company:

Berjaya Corporation Berhad

	Number of ordinary shares of RM1.00 each			
	Direct Interest	%	Deemed Interest	%
Dato' Robin Tan Yeong Ching	722,847	0.02	5,000#	0.00
Tan Thiam Chai	123,294	0.00	104,164#	0.00

	Number of 0% Irredeemable Convertible Unsecured Loan Stocks 2005/2015 of RM0.50 nominal value each			
	Direct Interest	%	Deemed Interest	%
Dato' Robin Tan Yeong Ching	-	-	300,000*	0.04
Dato' Lee Kok Chuan	22	0.00	17#	0.00

Related Companies:

Berjaya Land Berhad

	Number of ordinary shares of RM0.50 each			
	Direct Interest	%	Deemed Interest	%
Dato' Robin Tan Yeong Ching	600,000	0.01	-	-
Tan Thiam Chai	40,000	0.00	-	-

Statement of Directors' Shareholdings as at 27 July 2011

Berjaya Sports Toto Berhad	Number of ordinary shares of RM0.10 each			
	Direct Interest	%	Deemed Interest	%
Dato' Robin Tan Yeong Ching	828,000	0.06	-	-
Dato' Lee Kok Chuan	60,000	0.00	-	-
Tan Thiam Chai	163,542	0.01	66,000#	0.01

Cosway Corporation Limited	Number of ordinary shares of HKD0.20 each			
	Direct Interest	%	Deemed Interest	%
Dato' Robin Tan Yeong Ching	-	-	1,300,000#	0.03

* Denotes Indirect Interest
\# Denotes Indirect Interest pursuant to Section 134(12)(c) of the Companies Act, 1965.

SUBSTANTIAL SHAREHOLDERS AS AT 27 JULY 2011

Name	Number of ordinary shares of RM0.50 each			
	Direct Interest	%	Deemed Interest	%
Berjaya Group Berhad	105,511,000	74.31	-	-
Berjaya Corporation Berhad	-	-	105,511,000 (a)	74.31
Tan Sri Dato' Seri Vincent Tan Chee Yioun	-	-	105,511,000 (b)	74.31

(a) Deemed Interested by virtue of its 100% equity interest in Berjaya Group Berhad.
(b) Deemed Interested by virtue of his interest in Berjaya Corporation Berhad.

ANALYSIS OF SHAREHOLDINGS AS AT 27 JULY 2011

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
less than 100	22	1.42	492	0.00
100 - 1,000	277	17.93	190,600	0.13
1,001 - 10,000	869	56.25	4,811,808	3.39
10,001 - 100,000	330	21.36	10,317,900	7.27
100,001 - 7,099,099	46	2.98	21,150,200	14.90
7,099,100* and above	1	0.06	105,511,000	74.31
Total	**1,545**	**100.00**	**141,982,000**	**100.00**

Note: There is only one class of shares in the paid-up capital of the Company. Each share entitles the holder to one vote.

* Denotes 5% of the issued share capital of the Company.

THIRTY (30) LARGEST SHAREHOLDERS AS AT 27 JULY 2011

	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1	**Berjaya Group Berhad**	105,511,000	74.31
2	**HLG Nominees (Tempatan) Sdn Bhd** PB Trustee Services Berhad For Hong Leong Growth Fund	2,049,000	1.44
3	**HSBC Nominees (Tempatan) Sdn Bhd** HSBC (M) Trustee Bhd For OSK-UOB Small Cap Opportunity Unit Trust (3548)	1,500,000	1.06
4	**Malaysian Assurance Alliance Berhad** As Beneficial Owner (Growth Fund)	1,234,000	0.87
5	**Amsec Nominees (Tempatan) Sdn Bhd** Amtrustee Berhad For Hong Leong Penny Stock Fund	1,234,000	0.87
6	**Amsec Nominees (Tempatan) Sdn Bhd** Amtrustee Berhad For Hong Leong Strategic Fund	1,224,000	0.86
7	**HSBC Nominees (Tempatan) Sdn Bhd** HSBC (M) Trustee Bhd For OSK-UOB Growth And Income Focus Trust (4892)	1,130,000	0.80
8	**Affin Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Low Lay Khim (LOW0215C)	1,050,000	0.74
9	**Lee Cheng Kee**	1,000,000	0.70
10	**Mayban Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Yoong Yet Onn	900,200	0.63
11	**HSBC Nominees (Tempatan) Sdn Bhd** HSBC (M) Trustee Bhd For OSK-UOB Emerging Opportunity Unit Trust (4611)	750,000	0.53
12	**HLB Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Wong Yee Hui	700,000	0.49
13	**Alliancegroup Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Ting Siew Pin (8059095)	442,600	0.31
14	**Amsec Nominees (Tempatan) Sdn Bhd** Amtrustee Berhad For Hong Leong Dividend Fund	437,000	0.31
15	**HLG Nominee (Tempatan) Sdn Bhd** Hong Leong Bank Bhd For Lim Soon Aik	425,000	0.30
16	**Public Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Lee Yuen Hon (SRB/PMS)	400,000	0.28

THIRTY (30) LARGEST SHAREHOLDERS AS AT 27 JULY 2011

	NAME OF SHAREHOLDERS	NO. OF SHARES	%
17	**Tee See Kim**	350,000	0.25
18	**UOBM Nominees (Tempatan) Sdn Bhd** UOB-OSK Asset Management Sdn Bhd For Uni Aggressive Fund	350,000	0.25
19	**HDM Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Siew Lip Sung (M10)	340,000	0.24
20	**Amsec Nominees (Tempatan) Sdn Bhd** Amtrustee Berhad For Hong Leong Blue Chip Fund	316,000	0.22
21	**RHB Nominees (Tempatan) Sdn Bhd** Amara Investment Management Sdn Bhd For Wong Yee Hui	316,000	0.22
22	**Cimsec Nominees (Tempatan) Sdn Bhd** CIMB For Tan Kok Pin @ Kok Khong (PB)	315,000	0.22
23	**Public Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Ling Choo Kong (E-KLC)	310,000	0.22
24	**RHB Capital Nominees (Tempatan) Sdn Bhd** Hiew Syn Choi (SDK)	300,000	0.21
25	**Chew Chong Eu**	292,600	0.21
26	**Malaysian Assurance Alliance Berhad** As Beneficial Owner (Balance Fund)	274,300	0.19
27	**Mayban Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Tee See Kim	272,500	0.19
28	**Teo Kwee Hock**	266,100	0.19
29	**Thye Mooi Lee**	220,000	0.15
30	**Lee Siew Weng**	210,000	0.15
		124,119,300	**87.42**

NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting of Berjaya Food Berhad will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 27 September 2011 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the audited financial statements of the Company for the year ended 30 April 2011 and the Directors' and Auditors' Reports thereon. **RESOLUTION 1**

2. To approve the payment of Directors' fees amounting to RM57,000 for the year ended 30 April 2011. **RESOLUTION 2**

3. To re-elect the following Directors who retire pursuant to Article 94 of the Company's Articles of Association:-

   (a) Datuk Zainun Aishah Binti Ahmad **RESOLUTION 3**
   (b) Tan Thiam Chai **RESOLUTION 4**

4. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration. **RESOLUTION 5**

5. As special business:-

   To consider and, if thought fit, pass the following Ordinary Resolutions:-

   i) AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

   "THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **RESOLUTION 6**

   ii) PROPOSED SHAREHOLDERS' RATIFICATION AND SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

   "THAT all recurrent related party transactions of a revenue or trading nature entered into by the Company and its subsidiaries with the related parties, as detailed in Section 2.3 of the Circular to Shareholders dated 5 September 2011 which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiaries on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company, from 8 March 2011 to the date of the Annual General Meeting ("AGM") ("Proposed Ratification") at which the ordinary resolution for the Proposed Ratification will be passed be and is hereby approved and ratified;

AND FURTHER THAT, subject to the provisions of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, approval be and is hereby given for the Company and its subsidiaries, to enter into recurrent related party transactions of a revenue or trading nature with the related parties ("Proposed Mandate") as specified in Section 2.3 of the Circular to Shareholders dated 5 September 2011 which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiaries on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such mandate shall continue to be in force until:-

(a) the conclusion of the next AGM of the Company following the AGM at which the ordinary resolution for the Proposed Mandate will be passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(c) revoked or varied by resolution passed by the shareholders at a general meeting;

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiaries to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution." **RESOLUTION 7**

By Order of the Board

SU SWEE HONG
Secretary

Kuala Lumpur
5 September 2011

NOTES :

(A) Appointment of Proxy

(i) A member entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) proxy only to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(ii) A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint one (1) proxy in respect of each securities account.

(iii) The instrument appointing a proxy, shall be in writing under the hands of the appointor or of his attorney duly authorised in writing, or if such appointor is a corporation, under its common seal, or the hand of its officer or its duly authorised attorney.

(iv) The instrument appointing a proxy must be deposited at the Company's Registered Office, Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

(B) Special Business

(i) Resolution 6 is proposed for the purpose of granting a general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Section 132D of the Companies Act, 1965, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the issued and paid-up share capital of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

(ii) Resolution 7, if passed, will allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Shareholders' Mandate"). Detailed information on the Proposed Shareholders' Mandate is set out in Circular to Shareholders dated 5 September 2011 which is despatched together with the Company's 2011 Annual Report.

BERJAYA FOOD BERHAD (Company No. 876057-U)

FORM OF PROXY

I/We ____
(Name in full)

I.C. or Company No. ______________________ CDS Account No. ______________________
(New and Old I.C. Nos.)

of ____
(Address)

being a member/members of BERJAYA FOOD BERHAD

hereby appoint ______________________ I/C No. ______________________ of
(Name in full) *(New and Old I.C. Nos.)*

____
(Address)

or failing him/her, ______________________ I/C No. ______________________ of
(Name in full) *(New and Old I.C. Nos.)*

____
(Address)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf, at the Second Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 27 September 2011 at 10.00 a.m. and any adjournment thereof.

This proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

			FOR	AGAINST
RESOLUTION 1	-	To receive and adopt the Audited Financial Statements.		
RESOLUTION 2	-	To approve payment of Directors' Fees.		
RESOLUTION 3	-	To re-elect Datuk Zainun Aishah Binti Ahmad as Director.		
RESOLUTION 4	-	To re-elect Tan Thiam Chai as Director.		
RESOLUTION 5	-	To re-appoint Auditors.		
RESOLUTION 6	-	To approve authority to issue and allot shares.		
RESOLUTION 7	-	To approve shareholders' ratification and shareholders' mandate for Recurrent Related Party Transactions.		

No. of shares held

....
Signature of Member

Dated this .... day of 2011

<u>Notes:</u>

1) A member entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) proxy only to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

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Fold this flap for sealing

Affix Stamp

THE COMPANY SECRETARY
BERJAYA FOOD BERHAD
LOT 13-01A, LEVEL 13 (EAST WING),
BERJAYA TIMES SQUARE,
NO. 1, JALAN IMBI,
55100 KUALA LUMPUR.

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GROUP ADDRESSES

Berjaya Roasters (M) Sdn. Bhd.
Lot 9-16, Level 9 (East Wing),
Berjaya Times Square,
No.1, Jalan Imbi,
55100 Kuala Lumpur, Malaysia.
Tel : 03-2119 9888
www.krr.com.my

Berjaya Food Berhad
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Berjaya Times Square,
No. 1, Jalan Imbi,
55100 Kuala Lumpur.
Tel : 03-2149 1999
Fax : 03-2143 1685
www.berjaya.com

The Company Secretary
Lot 13-01A, Level 13 (East Wing),
Berjaya Times Square,
No. 1, Jalan Imbi,
55100 Kuala Lumpur.
Tel : 03-2149 1999
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