BERJAYA

BERJAYA FOOD BERHAD

(Company No. 876057-U)





ANNUAL REPORT 2014

CONTENTS

CORPORATE PROFILE

BERJAYA FOOD BERHAD ("BFood") was incorporated in Malaysia on 21 October 2009. It was converted into a public limited company on 3 December 2009 and listed on The Main Market of Bursa Malaysia Securities Berhad on 8 March 2011. As part of The Listing Scheme, Berjaya Roasters (M) Sdn Bhd ("BRoasters") was acquired and became a wholly-owned subsidiary of BFood in January 2011.

BRoasters is engaged in the development and operation of the Kenny Rogers Roasters ("KRR") chain of restaurants in Malaysia. On 26 July 2011, BFood entered into a conditional joint venture agreement with PT Mitra Samaya, Indonesia, PT Harapan Swasti Sentosa, Indonesia and PT Boga Lestari Sentosa, Indonesia ("PT Boga") to develop and operate the KRR franchise in Java Island and Bali, Indonesia under PT Boga.

On 19 July 2012, BFood completed the acquisition of 11,500,000 ordinary shares of RM1.00 each, representing 50% equity interest in Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") for a cash consideration of RM71.7 million. The remaining 50% equity interest is held by Starbucks Coffee International, Inc ("SCI"). On 9 August 2012, BFood completed its Right Issue and the 115,081,760 new shares and 115,081,760 warrants arising from the Rights Issue was listed on the Main Market of Bursa Malaysia Securities Berhad on 13 August 2012.

On 7 December 2012, BFood acquired 100% equity interest in Jollibean Foods Pte Ltd, Singapore ("Jollibean Foods") for a cash consideration of RM19.02 million. On 13 March 2013, BFood incorporated a new wholly-owned subsidiary, Berjaya Jollibean (M) Sdn Bhd ("BJM").

On 7 October 2013, Berjaya Food (International) Sdn Bhd ("BFI"), a wholly-owned subsidiary company of BFood entered into a Joint Venture Cum Shareholders' Agreement with Deluxe Daily Food Sdn Bhd ("Deluxe") for the subscription of 80% equity interest in Berjaya Food Supreme Sdn Bhd, a Brunei Darussalam-incorporated company to undertake the operations of "Starbucks Coffee" chain of cafes in Brunei Darussalam for a total cash consideration of about BND2.40 million (or about RM6.20 million). The remaining 20% was subscribed by Deluxe.

On 8 July 2014, BFI incorporated a new subsidiary, Berjaya Roasters (Cambodia) Ltd ("BRCL"), in the Kingdom of Cambodia to develop and operate the KRR chain of restaurants in Cambodia.

On 23 July 2014, BFood entered into a conditional share purchase agreement with SCI for the proposed acquisition of 11,500,000 ordinary shares of RM1.00 each, representing the remaining 50% equity interest in BStarbucks not owned by BFood for a total cash consideration of USD88,000,000 (equivalent to about RM279.52 million) ("Proposed Acquisition"). Upon completion of the Proposed Acquisition, BStarbucks will be a 100%-owned subsidiary of BFood.

KENNY ROGERS ROASTERS ("KRR")

BFood's holding company, Berjaya Group Berhad ("BGroup") effectively holds the worldwide KRR franchise following BGroup's acquisition of KRR International Corp, USA in April 2008. There are currently 87 KRR restaurants across Malaysia.

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, vegetable salads, pasta, soups, desserts and beverages served in a friendly and comfortable environment. All KRR restaurants serve their customers in a full service, mid-casual dining setting with free "Wi-Fi" services, providing customers with a wholesome dining experience. The Group also introduced ROASTERS Catering & Delivery and opened the first KRR drive-thru restaurant in Asia at Setia Tropika, Johor Bahru.

STARBUCKS

Starbucks in Malaysia is operated by BStarbucks, a joint-venture between SCI and Berjaya Group Berhad. From its first store opening in Kuala Lumpur on 17 December 1998, BStarbucks has expanded to Sabah and Sarawak and celebrated its 15th year of operations in December 2013. BStarbucks has more than 170 stores nationwide and is recognized as the leading specialty coffee company and industry benchmark in Malaysia.

BStarbucks also introduced its first drive-thru concept store in December 2009 in Johor Bahru and opened another 4 drive-thru concept stores in Shah Alam, Cyberjaya, Petronas PLUS Serdang and Penang. In 2012, it opened its first suburban store in Seri Manjung, Perak. As at 30 April 2014, it has 14 drive-thru concept stores which are located in Selangor, Johor, Penang, Perak and Pahang.

On 16 February 2014, BStarbucks opened its first store at the Mabohai Shopping Complex in Brunei Darussalam. The store features a traditional coffee bar also known as "slow bar"; which allows customers to savour their coffee using the "pour over" brewing method.

JOLLIBEAN

Jollibean Foods was incorporated in November 1993. Presently, there are a total of 32 "Jollibean" outlets, 12 "Sushi Deli" outlets and 1 "DanGo" outlet, all of which are based on the Quick Service Concept, and 2 "Kopi Alley" outlets in Singapore.

Jollibean's signature products are its fresh daily made "Jollibean" soy milk drinks using Grade A, non-genetically modified organism (non-GMO), identity preserved Canadian soy beans to ensure its quality. It also introduced traditional snacks such as the street pancake – Mee Chiang Kueh – which complements its soy milk drinks.

"Kopi Alley" is a traditional coffee cafe concept which offers traditional food & beverage like coffee, tea, toasted bread, nasi lemak and mee siam. "Sushi Deli" basically serves an array of "pick-and-choose" sushi, assorted sashimi sets, sushi & maki sets, Japanese salads, bento sets, party platters and Japanese sweets like Tofu Cheese Cake. "DanGo" offers a variety of Japanese kushiyaki cuisine which is grilled meat on bamboo skewers and yaki onigiri (grilled triangular rice balls).

Berjaya Jollibean (M) Sdn Bhd opened its first kiosk at Berjaya Times Square in December 2013 and its second kiosk at Sunway Pyramid in February 2014.

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 Idris Bin Hashim
Non-Independent Non-Executive Director

Dato' Zurainah Binti Musa
Non-Independent Non-Executive Director

Datuk Zainun Aishah Binti Ahmad
Independent Non-Executive Director

Dato' Mustapha Bin Abd Hamid
Independent Non-Executive Director

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

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 BANKERS

AmBank (M) Berhad

Malayan Banking Berhad

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad

STOCK SHORT NAME

BJFOOD (5196)

PLACE OF INCORPORATION AND DOMICILE

Malaysia

PROFILE OF DIRECTORS

DATO' ROBIN TAN YEONG CHING
40 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 Chairman and Chief Executive Officer of Berjaya Corporation Berhad, the Chief Executive Officer of 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 Ltd, Singapore and a Director of Atlan Holdings Bhd, Berjaya Sompo Insurance Berhad, Berjaya Golf Resort Berhad, KDE Recreation Berhad, Berjaya Roasters (M) Sdn Bhd and Berjaya Starbucks Coffee Company Sdn Bhd. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies. He has also been appointed as a Commission Member of the Companies Commission of Malaysia with effect from 16 January 2014.

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

DATO' LEE KOK CHUAN
55 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 Berjaya Auto Berhad, High-5 Conglomerate Berhad (formerly known as Silver Bird Group Berhad), Berjaya Capital Berhad and Berjaya Roasters (M) Sdn Bhd. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

PROFILE OF DIRECTORS

TAN THIAM CHAI

55 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 and Audit and Risk Management Committee.

He graduated with a Diploma in Commerce (Financial Accounting) from Kolej Tunku 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 Atlan Holdings Bhd, 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 IDRIS BIN HASHIM

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

He was appointed to the Board on 2 December 2013 as a Non-Independent Non-Executive Director.

He holds a Diploma in Town and Regional Planning from University Institute Technology of MARA ("UITM"), Shah Alam in 1975, and subsequently a Master of Science, City & Regional Planning from Illinois Institute of Technology, Chicago, United States of America in 1978.

He has an impressive career in town planning, having served as Planner at North-Eastern Illinois Planning Commission, Chicago where he was involved in several large projects in the State of Illinois as well as the New Jeddah International Airport and King Abdul Aziz University, both in the Kingdom of Saudi Arabia. Back home, he was attached with Arkitek Bersekutu Malaysia, where he participated in projects such as Pusat Bandar Bukit Ridan and Kompleks Perdagangan Kuantan in Pahang and Bangunan Sri MARA in Kuala Lumpur. He was also a lecturer at his alma mater, The School of Architecture, Planning & Surveying, UITM.

Currently, he is the Chairman of Perbadanan Nasional Berhad and Perak Industrial Resources Sdn Bhd. He is also a Director of Focus Point Holdings Berhad.

PROFILE OF DIRECTORS

DATO' ZURAINAH BINTI MUSA

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

She was appointed to the Board of the Company as a Non-Independent Non-Executive Director on 7 March 2014.

She obtained her Post Graduate diploma in Human Resource Management from University of Newcastle, Australia in 1997. She also holds diplomas in Occupational Health And Safety from University of New South Wales, Australia and Secretarial Science from the MARA Institute of Technology.

She started work in 1983 and was working in senior capacities for several organisations, both locally and internationally before she joined Permata Kancil (M) Sdn Bhd in 1995. She was the Managing Director of Permata Kancil (M) Sdn Bhd, a company involved in human resource management and consultancy, when she left in 2010.

She has more than 15 years of experience in the field of Human Resource Management and Development as well as Human Relationship Management. Her experience includes inter-alia, the designing, developing, managing, organising and conducting training programmes, seminars and courses as well as the provision of consulting services relating to the various aspects of human resource development and management for organisations in Malaysia, Australia, United States of America, Indonesia and the Middle East.

Currently, she is an Executive Director of Berjaya Corporation Berhad and Berjaya Times Square Sdn Bhd. She is also a Director of Bukit Kiara Resort Berhad, Tioman Island Resort Berhad and several subsidiaries of Berjaya Assets Berhad and other private limited companies.

DATUK ZAINUN AISHAH BINTI AHMAD

68 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 council, 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, Scomi Engineering Bhd, Shell Refining Company (Federation of Malaya) Berhad, British American Tobacco (Malaysia) Berhad and Pernec Corporation Berhad.

PROFILE OF DIRECTORS

DATO' MUSTAPHA BIN ABD HAMID
61 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, Remuneration Committee and Audit and Risk Management 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.

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.

EXECUTIVE CHAIRMAN'S STATEMENT

Starbucks' first store in Brunei Darussalam was opened at Mabohai Shopping Complex in February 2014.


The first cup of Caramel Macchiato was handcrafted for Her Royal Highness Pengiran Anak Isteri Pengiran Anak Hajah Zariah.

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 2014.

FINANCIAL RESULTS

For the financial year ended 30 April 2014, BFood registered an increase in revenue of RM150.37 million as compared to revenue of RM121.92 million in the previous year. Pre-tax profit increased to RM24.57 million from RM21.40 million in the previous year. The higher revenue was mainly due to the consolidation of the full year's revenue of Jollibean Foods Pte Ltd ("Jollibean Foods") and the opening of new Kenny Rogers Roasters ("KRR") restaurants. The increase in pre-tax profit was mainly due to the share of better results from Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks").

DIVIDEND

For the financial year ended 30 April 2014, the Group had declared and paid a total dividend of 4.25 sen or 8.5% single-tier exempt dividend per share.

The total dividend paid is approximately RM11.65 million which represented approximately 50% of the attributable profit of the Group for the financial year ended 30 April 2014.

SIGNIFICANT CORPORATE DEVELOPMENTS

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

1) On 7 October 2013, Berjaya Food (International) Sdn Bhd ("BFI"), a wholly-owned subsidiary of BFood entered into a Joint Venture Cum Shareholders' Agreement with Deluxe Daily Food Sdn Bhd ("Deluxe") for the subscription of 80% equity interest in Berjaya Food Supreme Sdn Bhd, a Brunei Darussalam-incorporated company to undertake the operations of "Starbucks Coffee" chain of cafes in Brunei Darussalam for a cash consideration of about BND2.40 million (or about RM6.20 million).

2) On 23 July 2014, BFood entered into a conditional share purchase agreement with Starbucks Coffee International, Inc ("SCI") for the proposed acquisition of 11,500,000 ordinary shares of RM1.00 each, representing the remaining 50% equity interest in BStarbucks not owned by BFood for a total cash consideration of USD88,000,000 (equivalent to about RM279.52 million) ("Proposed Acquisition"). Upon completion of the Proposed Acquisition, BStarbucks will be a 100%-owned subsidiary of BFood, from the current 50% joint venture.

The Proposed Acquisition will enable BFood to consolidate the results of BStarbucks, thus enlarging its revenue and earnings base growth potential. With the Proposed Acquisition, BFood will have full control over the operation, cash flow, and the future strategies and directions of BStarbucks. In addition, the Proposed Acquisition will facilitate BFood to further explore potential business opportunities with SCI such as the fast moving consumer goods sector and channel development, food service and distribution rights.

EXECUTIVE CHAIRMAN'S STATEMENT

BRoasters' senior management team and Lee Sinje, Malaysian-born International celebrity and co-founder of Little Yellow Flower Foundation were present to flag off the run.

BRoasters celebrated the joyful occasion of Hari Raya with children from Yayasan Chow Kit.

Free KRR rotisserie-roasted chicken meals were distributed to the children supported by Little Yellow Flower Foundation.

Children from Yayasan Sunbeams Home had their wishes fulfilled at the KRR Wishing Tree event.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

BFood and its subsidiaries/joint venture continued giving back to the community by aiding the lives of the underprivileged through various CSR programmes.

Reaching Out and Giving Back to the Communities

BRoasters continued to contribute back to the communities through its annual charity events such as the ROASTERS Chicken Run, Jamuan Raya as well as the Wishing Tree campaign under the KRR Community Chest programme.

The 10th Annual ROASTERS Chicken Run 2014 saw more than 3,900 participants from all walks of life coming together for a good cause. The charity event raised RM65,000 for the Little Yellow Flower Foundation in support of its Nutrition, Lunch and Tuition programme benefiting children from urban poor families. Apart from this, KRR also provided reading materials to the "Reading Wonderland" – a community library and information resource set up to cultivate good reading habit among the underprivileged children. To date, the unique charity fun run event has raised more than RM500,000 for various charitable organizations.

During the Hari Raya celebration, BRoasters invited 30 children from Yayasan Chow Kit to enjoy healthy meals at its restaurant located in Berjaya Times Square, Kuala Lumpur. The children also had a good time with various fun games which included KRR's first mobile game application – Muffin Maniac.

In December 2013, BRoasters continued giving hope to underprivileged children nationwide through its 9th Annual Wishing Tree event which granted simple wishes of 50 children from Yayasan Sunbeams Home. To date, more than 11,400 underprivileged children nationwide benefited from the campaign and had their wishes fulfilled.

Through BStarbucks "Connecting Communities" programme launched in April 2013, a total of RM100,000 was raised through the sale of food items produced from raw banana fruits purchased from the banana farming communities at Kampung Lubuk Jaya in Kuala Selangor. Sale proceeds from these products were channelled to building a community computer centre for the children in the village which was launched in April 2014. Apart from that, 200 Starbucks volunteers participated in a five-hour landscaping activity and planted 504 plants of different species in the village.

In April 2014, BStarbucks celebrated its 4th annual Global Month of Service ("GMoS") which witnessed 1,671 partners and 2,715 customers contributing a total of 27,437 community service hours for 38 community service projects nationwide.

In addition, BRoasters and BStarbucks together with Berjaya Corporation Berhad presented "Merrily We Roll Along-The Musical" in support of the local performing arts.

EXECUTIVE CHAIRMAN'S STATEMENT

BStarbucks raised funds to build the Community Computer Centre at Kampung Lubuk Jaya.


The 1st Community Edible Garden project at Starbucks Drive-Thru Kota Kemuning.

Starbucks Learning Centre at Plaza Berjaya, Kuala Lumpur.


The well-equipped Sumatra room in Starbucks Learning Centre is conducive for workshop training.

Workplace

As BFood and its subsidiaries/joint venture continue to expand its business network, workforce and geographical reach, there is a compelling need to groom and nurture its employees as well as the next generation of leaders. To this end, employees are continuously encouraged and motivated through various company activities, training and development programmes such as the Annual Business Plan Meeting, Leadership Convention, sports competitions, team building activities as well as incentives and reward programmes.

In January 2014, BStarbucks relocated its learning centre from Berjaya Times Square, Kuala Lumpur to a bigger venue at Plaza Berjaya, Kuala Lumpur to accommodate more participants for various training programmes ranging from new hire orientation to on-going personal and professional development.

Small steps to care for the environment

To help encourage the message of green consciousness and minimize the impact on the environment, green products such as KRR's "i-care Box" and "i-care Bag", and Starbucks reusable tumblers were introduced. Since the introduction of KRR's "i-care Box" in November 2011, more than 150,000 units were sold to its customers.

In conjunction with the annual GMoS in April 2014, BStarbucks launched its first Community Edible Garden project at Starbucks Drive-Thru in Kota Kemuning, Shah Alam, Selangor to educate the public through interactive workshops on ways to create an edible garden at home and to learn about the various plants and planting techniques.

Under the "Grounds For Your Garden" programme, most Starbucks stores nationwide also provide complimentary soil-enriching coffee grounds to their customers for their gardens as part of the company's recycling initiatives to reduce its environmental impact.

Group Synergy

BFood and its subsidiaries/joint venture also supported various CSR activities driven at the Berjaya Corporation group level.

During the 4th Berjaya Founder's Day celebrated on 22 February 2014 at Berjaya Times Square, Kuala Lumpur, BRoasters' senior management staff coordinated more than 25 carnival food stalls catering to more than 20,000 Berjaya employees and their family members. BRoasters also contributed 1,000 chicken meals while BStarbucks contributed more than RM30,000 worth of beverages and merchandize which were a huge hit among the carnival goers. The highlight of the event was the contribution of RM25.6 million to 90 charitable organizations by Berjaya's founder, Tan Sri Dato' Seri Vincent Tan Chee Yioun, Better Malaysia Foundation and Berjaya Cares Foundation.

EXECUTIVE CHAIRMAN'S STATEMENT

New product offerings from Starbucks.

Free Starbucks planner and limited edition Christmas Starbucks Card during Christmas were some of BStarbucks' seasonal promotions.

BJollibean aims to open new kiosks in 2014 and 2015 as part of the Group's expansion plans.

Starbucks' first store at Mabohai Shopping Complex in Brunei Darussalam.

FUTURE PROSPECTS

The Malaysian economy has shown encouraging trends for the second quarter of 2014, where GDP recorded a growth of 6.4% compared to 6.2% in the first quarter of 2014. The positive performance was due to strong domestic economic activities in which the service sector was a leading sector contributing to economic growth of the country.

While it is expected that the economic growth momentum will remain strong, consumer sentiment is expected to be affected locally due to higher living costs in Malaysia. However, local consumer spending will remain positive as food is one of the essential consumer items.

The Group will employ a two-pronged strategy with focus on both local and overseas markets. Locally, the Group's expansion plans include opening new restaurants in local secondary townships. The Group will continue to focus its business expansion in the Asean region such as Brunei Darussalam and Indonesia, which has a higher population to drive demand. The Group has also ventured its KRR business to Cambodia with the first KRR restaurant opened at AEON Mall Phnom Penh on 21 June 2014. The Group sees overseas sales contributing more significantly to overall revenue in the next two years.

The Group will maintain its strategy of opening additional restaurants in the next financial year in all the markets that the Group is operating in. With the expected completion of the acquisition of the remaining 50% equity interest in BStarbucks in the second quarter of the financial year ending 30 April 2015, the Group foresees more impactful contribution to the overall revenue and profits in 2015 and beyond.

APPRECIATION

On behalf of the Board, I would like to welcome Datuk Idris Hashim and Dato' Zurainah Musa, who were appointed as Non-Independent Non-Executive Directors to the Board on 2 December 2013 and 7 March 2014 respectively.

I would like to express my deepest appreciation to our loyal customers, business partners and my fellow colleagues on the Board, management team and the front line staff who have played a role in the Group's success.

The support of our loyal customers and the dedication of our working team are the motivation that keeps us moving forward to achieve greater success in the future.

Dato' Robin Tan Yeong Ching
Executive Chairman

19 August 2014

MANAGEMENT DISCUSSION & ANALYSIS

BERJAYA ROASTERS (M) SDN BHD

Overview

Berjaya Roasters (M) Sdn Bhd ("BRoasters") is a wholly-owned subsidiary of Berjaya Food Berhad ("BFood"). Incorporated in 1994, BRoasters is the master franchisee for the Kenny Rogers Roasters ("KRR") chain of restaurants in Malaysia.

BRoasters currently has a total of 87 KRR restaurants across Malaysia with at least 15 more restaurants in the pipeline for nationwide expansion in the year 2014 and 2015.

KRR's refurbished restaurant at Berjaya Times Square, Kuala Lumpur.

Revenue

Revenue for BRoasters increased slightly to RM96.0 million from RM95.7 million in the previous financial year.

Whilst BRoasters recorded additional revenue contribution from the opening of 10 new restaurants during the year, it also recorded major drop in revenue for some existing restaurants. In particular, a major drop in revenue was recorded in restaurants in Genting Highlands due to the Genting Theme Park closure and full refurbishment of the Ipoh Parade Shopping Mall.

Profit Before Tax

BRoasters' profit before tax decreased to RM12.1 million from RM15.4 million in the previous financial year mainly due to increase in labour cost from the full impact of the implementation of minimum wages, promotion costs and training expenses.

Business Strategy & Future Prospects

BRoasters will continue with its chain expansion strategy to open more restaurants, especially in secondary townships. Besides the chain expansion plan, BRoasters will introduce a new range of grill offerings and lunch, dinner and weekend meal packages to its menu. It will also offer promotions at a lower price and launch a KRR reload card to encourage consumer spending.

Meanwhile, it will look into the operational efficiency of maintaining cost with the Goods & Services Tax (GST) implementation on 1 April 2015. In addition, it will focus on e-marketing to target teenagers and young working adults.

Complete wholesome meals from KRR.

PT BOGA LESTARI SENTOSA

Overview

PT Boga Lestari Sentosa ("PT Boga") in Indonesia was incorporated in June 2006 to manage the development and operation of the KRR chain of restaurants in Java Island. PT Boga is currently operating 24 KRR restaurants across Indonesia in Surabaya, Medan, Jakarta, Tangerang, Bogor, Bekasi and Cirebon.

Revenue

PT Boga registered a revenue increase of 23% from RM10.9 million in the previous financial year to RM13.4 million in the financial year ended 30 April 2014. The increase was mainly due to the opening of 8 new restaurants during the financial year.

Loss Before Tax

The loss before tax increased to RM5.2 million for the financial year ended 30 April 2014 compared to the RM2.8 million loss in the previous financial year. The increase was mainly due to the negative impact on imported food cost resulting from the appreciation of the US Dollar and higher operating costs.

Business Strategy & Future Prospects

PT Boga aims to increase the number of profitable restaurants and focus on reducing the controllable expenses. It will introduce new menu with more variety and make a slight price adjustment to increase sales revenue. It will also focus on strengthening its marketing & promotion strategies.

MANAGEMENT DISCUSSION & ANALYSIS

JOLLIBEAN FOODS PTE LTD

Overview

Jollibean Foods Pte Ltd ("Jollibean Foods") is a wholly-owned subsidiary of BFood. Jollibean Foods holds the sole and exclusive worldwide rights to develop, operate and manage all outlets, stalls and kiosks under the brand name of "Jollibean", "Sushi Deli", "Kopi Alley" and "DanGo".

Jollibean Foods has 47 outlets in Singapore and is looking to spread its wings further by expanding to overseas markets in the near future.

Jollibean kiosk located at Tanjong Pagar, Singapore.

Revenue

Jollibean Foods recorded revenue of S$14.67 million compared to S$14.96 million in the previous financial year. The slight decrease was primarily due to the sudden shortage of manpower during the last quarter of 2013 till February 2014. Hence, sales was not fully capitalized during the festive period.

The cause of the sudden shortage of manpower was partly due to the revision of manpower quota by the Ministry of Manpower Singapore. The revised quota has limited full-time employment of foreign workers from 50% previously to 45% as of 1 July 2013 and subsequently it was restricted to 40% as of 1 July 2014. Employment of local staff was challenging due to the nature of long working hours and less competitive remuneration in the food and beverage industry.

Profit Before Tax

Profit Before Tax was S$0.82 milllion compared to S$1.1 million last year. The slight drop was due to higher raw material prices, rising manpower cost, increased foreign worker levy imposed by the government and the impact on depreciation charged due to refurbishment of outlets.

Business Strategy & Future Prospects

Jollibean Foods will continue to increase productivity and efficiency through automation of processes. It will also explore distribution opportunities to increase revenue after automation of processes. It plans to strengthen its internal processes to improve staff efficiency and increase manpower utilization. It has recently started a partial self-service outlet to enhance customers engagement and to ease labour shortage.

Jollibean Foods will continue to strengthen its brand name in Singapore while continuing to expand in Malaysia. It will strive to stay relevant to the changing market conditions in all aspects of the business ranging from store design, presentation and research & development to bring innovative ways of consuming soy products. Jollibean Foods is also committed to ethical and environmentally conscious practices.

BERJAYA JOLLIBEAN (M) SDN BHD

Business Review

Berjaya Jollibean (M) Sdn Bhd ("BJollibean") is a wholly-owned subsidiary of Jollibean Foods Pte Ltd. Adopting the same principles of its holding company, BJollibean serves freshly made soy-based beverages and local snacks.

BJollibean opened its first kiosk at Berjaya Times Square in December 2013 and its second kiosk at Sunway Pyramid in February 2014.

BJollibean aims to penetrate into local snack and beverage markets by opening 5 additional new kiosks in 2014 to 2015 and franchise its business once it is established. It will continue to develop new products to ensure a variety of offerings are available to local customers.

To increase costs efficiency and productivity, BJollibean will decentralize purchasing for its raw and packaging materials and manage its labour schedule to maximize labour hours at minimal cost.

Jollibean kiosk located at Berjaya Times Square, Kuala Lumpur.

MANAGEMENT DISCUSSION & ANALYSIS

BStarbucks launched a "365 days of Starbucks" contest in conjunction with its 15th anniversary.

BERJAYA STARBUCKS COFFEE COMPANY SDN BHD

Overview

Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") was incorporated in Malaysia on 7 May 1998 under the name of Berjaya Coffee Company (M) Sdn Bhd and assumed its present name on 16 September 2004. BStarbucks is 50%-owned by BFood and will be a 100%-owned subsidiary, from the current 50% joint venture, upon the completion of the Proposed Acquisition with Starbucks Coffee International, Inc ("SCI") expected to be in the second quarter of financial year ending 30 April 2015.

BStarbucks currently has more than 170 Starbucks stores across Malaysia. As at 30 April 2014, it has 14 drive-thru stores which are located in Selangor, Johor, Penang, Perak and Pahang, and opened its first suburban store in Seri Manjung, Perak in 2012.

Starbucks store located at the Summer Mall in Kota Samarahan, Sarawak.

Revenue

Share of profits of BStarbucks consolidated at BFood was RM17.49 million for the financial year under review. The company's gross profit remains healthy due to efficiency in managing key areas like labour, cost of goods, utilities and wastages.

Store count grew by 28 stores and the same store sales registered a 15% growth over last year. Various tactical marketing programmes were adopted to increase revenue such as Summer Happy Hours, Ramadhan BOGO (Buy One Get One), new promotional beverages, and a new thermos and merchandize range. In addition, Starbucks celebrated its 15th Anniversary and launched a limited edition tumbler series featuring the hibiscus, the traditional Wau and Batik designs. The limited edition tumblers have received good response from the customers.

The Starbucks card programme registered another strong growth in the financial year ended 30 April 2014 with 46% of transactions via card usage as compared to 39% last year.

Profit Before Tax

Profit Before Tax increased to RM50 milllion for the year under review compared to RM31 million last year. The increase in profit before tax during the year is attributed to its efficiency in managing cost and overheads.

Business Strategy & Future Prospects

BStarbucks continues to strive to maintain double digit year-on-year profit growth. It targets to open another 25 new stores including 8 drive-thru concept stores which have proven to be very successful. The unique store design and concept will continue as the main focus to strengthen the brand as the market leader of premium coffee beverage.

BStarbucks will improve its menu with more innovative food and beverage product offerings to resonate with customer demand. It will continue to focus on its Starbucks Card introducing innovative card designs and programmes to drive loyalty and spending frequency. Besides, it will also continue its engagement on digital platforms such as mobile apps and social media to increase brand affiliation and connectivity with customers at all times.

Apart from marketing and promotions, it will continue to focus on its human capital development such as its hiring and retention strategy, training strategy and employer branding as part of the company's overall growth strategy.

With the completion of the acquisition of the remaining 50% equity interest in BStarbucks expected to be in the second quarter of financial year ending 30 April 2015, it is envisaged that the revenue and earnings of BStarbucks will be further enlarged and enhance its contribution to the Group in 2015.

AWARDS AND MARKETING & PROMOTIONS

Kenny Rogers Roasters and Starbucks Malaysia were the recipients of The BrandLaureate Best Brands Award 2012-2013 in their respective categories.

AWARDS RECOGNITION

The awards received by the respective brands are testimony to the Group's achievements thus far. During the financial year, Kenny Rogers Roasters ("KRR") added two more prestigious awards, namely Malaysia's Choice category by Superbrands Malaysia 2013 and was the fourth consecutive recipient for The BrandLaureate Best Brands Award 2013-2014 under the category of Food & Beverage – Rotisserie-roasted Chicken.

Starbucks Malaysia also received The BrandLaureate Best Brands Award 2013-2014 under the coffee category. In November 2013, Jollibean Singapore received a Service Excellence Award for its Jollibean-Jurong Point outlet.

HEALTHY & TANTALIZING MENU OFFERINGS

Over the years, the Group has increasingly developed various brand offerings such as Kenny Rogers Roasters, Starbucks and Jollibean which offer innovative and healthy food & beverage items to customers. In addition, each brand has also created seasonal food promotions to enhance its core menu offerings.

Well-known as a wholesome and healthy meal provider, KRR has consistently created new additions to its menu with a variety of flavours such as Kenny's Spicy BBQ Chicken, Braised Lamb Meal, Country Chic Steak, Kenny's Teriyaki Chicken and Kenny's Chicken Porridge. Apart from the wholesome chicken meals, KRR has ventured to offer a lamb meal which received positive feedback throughout the Lots of Lamb promotion period.

"Lots of Lamb" is the new addition in KRR's menu besides the chicken meals.

As a premium coffee company, Starbucks has offered exciting limited time offering beverages such as Caramel Ribbon Crunch, Salted Caramel Mocha, Dark Mocha White Chocolate Pudding, and Green Tea White Chocolate Pudding Frappuccino, among others. In March 2014, Starbucks revamped its food menu by offering 20 new food items consisting of a variety of pastries, savories and cakes.

KRR introduced "Take it Home Feast" for festive celebrations.

Jollibean, which was introduced in Malaysia in December 2013, uses premium soy beans from Canada to prepare 100% fresh natural soy milk and other soy-based snacks such as soy bean curd, soy yoghurt, soy pudding and pancakes with assorted fillings. In Singapore, Jollibean launches new products every 2-3 months and the newly launched Citron Soy Freeze paired with Soy Custard Maru pancake received good reviews. Sushi Deli, another brand operating under Jollibean Foods, also added new Cheesy Salmon California Maki to its menu.

Jollibean, a refreshing soy-based product was introduced to the Malaysian market in December 2013.

Kenny Rogers Roasters received another prestigious award under the Malaysia's Choice category by Superbrands Malaysia 2013.

Starbucks Malaysia received The BrandLaureate Best Brands Award 2013-2014 under the coffee category.

Six Malaysian SEA Games gold medalists were invited to the annual ROASTERS Eating Day (RED).

Muffin Maniac, a KRR mobile game application was introduced by BRoasters in June 2013.

MARKETING & PROMOTIONS

Certain marketing and promotion mechanics were strategically planned for the various brands under the Group to drive brand awareness and revenue. BRoasters introduced the "Perfect Trio" promotion which required just an additional RM3 to have a main meal complemented with soup and dessert. "Take it Home Feast" was introduced for festive celebrations with the aim of bringing convenience to the customers. In addition, the annual ROASTERS Eating Day (RED) was a successful promotion hitting its fifth year in early 2014, where BRoasters invited 6 Malaysian SEA Games gold medalists to celebrate their victory. Customers were required to dress in red in order to get the "buy one free one" offer.

BStarbucks strategizes its marketing promotions campaigns all year round from featuring seasonal gifts for their customers to other offers such as the Ramadhan "Buy One Free One" and Summer Happy Hour where customers get to enjoy a complimentary Starbucks beverage upon purchasing a Starbucks beverage for a limited time.

In conjunction with Starbucks' 15th Anniversary, BStarbucks launched a "365 days of Starbucks" contest in September 2013 where the top spending 15 Starbucks Card users were randomly selected to stand a chance to win complimentary Starbucks beverages for 365 days.

BJollibean has collaborated with various partners such as Living Social, Samsung Galaxy Life and Watsons for promotional offers such as online cash vouchers, buy one free one items, and 20% discount for membership card holders.

In Singapore, Jollibean Foods has partnered with vendors like Singtel, Safra and 8-Days magazine for tie-up redemption offers. Other marketing initiatives include perforated brochures, island-wide National Day coupon booklets, crazy hour promo and many more. Simultaneously, Sushi Deli offered a set meal with complimentary soup or drinks, regular mixed sushi or bento set purchase and various seasonal festive items like the CNY sushi and sashimi platter offer. Kopi Alley and Dango also introduced similar promotions such as the Sunday Treats coupon, bundled set promotion, free drink or soup with a minimum purchase amount.

To drive brand affiliation, BRoasters, BStarbucks and BJollibean affiliated with BCARD, a customer loyalty programme managed by Berjaya Loyalty Sdn Bhd to offer membership discounts to retain customer spending interest. BStarbucks also introduced Starbucks Card with different designs such as the limited edition Starbucks Card for Christmas and New Year. Starbucks customers could accumulate rewards from their purchases and when they reloaded their Starbucks Card. They were entitled to redeem Starbucks limited edition premiums such as the canvas tote bag, key chain, planner and others. Besides the loyalty programme, merchandize items such as the KRR's "i-care Box" were customized for retail at KRR restaurants.

The evolvement of technology has also made it necessary for digital engagement with customers such as via social media channels and mobile applications. BRoasters, BStarbucks and BJollibean have respectively engaged in various social media channels such as Facebook, Twitter and Youtube.

In June 2013, Muffin Maniac, a KRR mobile game application was introduced to encourage online interactive engagement. Aside from Muffin Maniac, KRR Klix was introduced to allow customers locate KRR restaurants easily. To enhance efficiency, an ordering system via iPad was introduced at 18 KRR restaurants in Klang Valley since December 2013.

CORPORATE STRUCTURE

AS AT 31 JULY 2014

BERJAYA

BERJAYA FOOD BERHAD

- **100%** Berjaya Roasters (M) Sdn Bhd
- **100%** Berjaya Food (International) Sdn Bhd
  - **51%** PT Boga Lestari Sentosa
  - **100%** Jollibean Foods Pte Ltd
    - **100%** Berjaya Jollibean (M) Sdn Bhd
  - **70%** Berjaya Roasters (Cambodia) Ltd
  - **80%** Berjaya Food Supreme Sdn Bhd
- **100%** Berjaya Food Management Services Sdn Bhd
- **50%*** Berjaya Starbucks Coffee Company Sdn Bhd

* Pending completion of the acquisition of the remaining 50% equity interest in BStarbucks expected to be in the second quarter of financial year ending 30 April 2015.

GROUP FINANCIAL SUMMARY

DESCRIPTION	2014 USD'000	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000
Revenue	46,125	150,369	121,915	88,598	71,938	60,415
Profit Before Tax	7,538	24,573	21,395	14,635	12,575	10,401
Profit For The Year	6,170	20,113	17,283	10,984	10,193	8,680
Profit Attributable To Shareholders	6,954	22,669	18,628	11,126	10,193	8,680
Share Capital#	41,275	134,556	130,522	71,738	70,883	70,674
Reserves#	8,660	28,231	12,226	(15,667)	(20,090)	(30,487)
Net Equity Funds	**49,935**	**162,787**	**142,748**	**56,071**	**50,793**	**40,187**
Non-controlling Interests	(197)	(641)	1,082	2,533	–	–
Total Equity	**49,738**	**162,146**	**143,830**	**58,604**	**50,793**	**40,187**
Long Term Liabilities	1,580	5,151	5,071	4,097	2,982	1,837
Current Liabilities	7,835	25,543	18,164	16,670	10,507	7,965
Total Equity and Liabilities	**59,153**	**192,840**	**167,065**	**79,371**	**64,282**	**49,989**
Property, Plant & Equipment	11,932	38,899	30,236	25,335	19,010	19,601
Intangible assets	4,935	16,088	16,008	1,340	986	986
Investment and Other Non-Current Assets	29,001	94,543	80,144	108	–	–
Current Assets	13,285	43,310	40,677	52,588	44,286	29,402
Total Assets	**59,153**	**192,840**	**167,065**	**79,371**	**64,282**	**49,989**
Net Assets Per Share (US$/RM)	0.19	0.60	0.55	0.39	0.36	0.28
Net Earnings Per Share (Cents/Sen)	2.63	8.58	8.17	7.83	7.21	6.14
Dividend Rate (%)	8.50	8.50	7.00	9.00	6.00	–
Net Dividend Amount (USD'000/RM'000)	3,574	11,651	9,161	6,433	4,257	–

Notes:

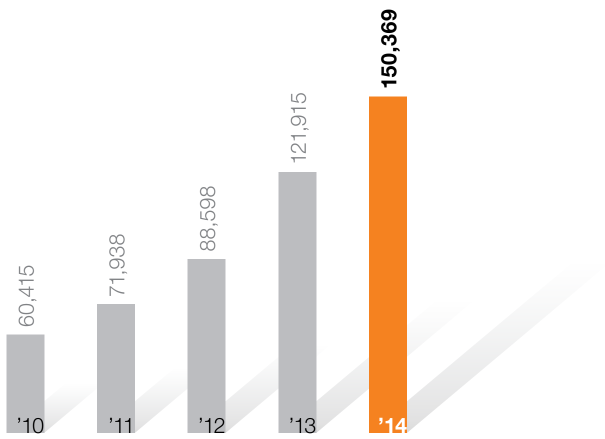
Figures for 2010-2014 are for 12 months ended 30 April. Where additional shares are issued, the earnings per share are calculated based on a weighted average number of shares.

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 Sdn Bhd had taken place as at the earliest date presented.

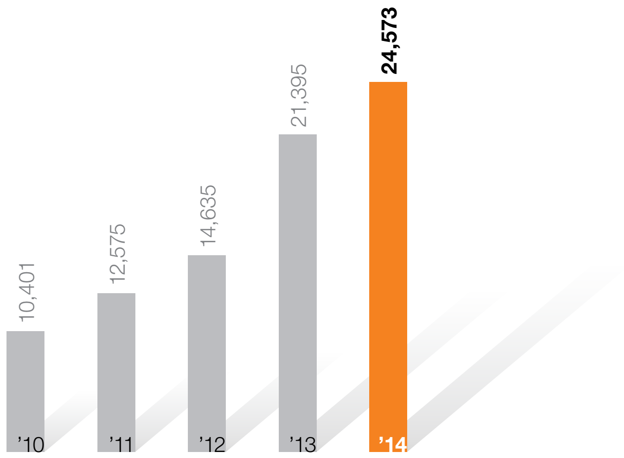
Exchange rate: US$1.00 = RM3.26

GROUP FINANCIAL HIGHLIGHTS

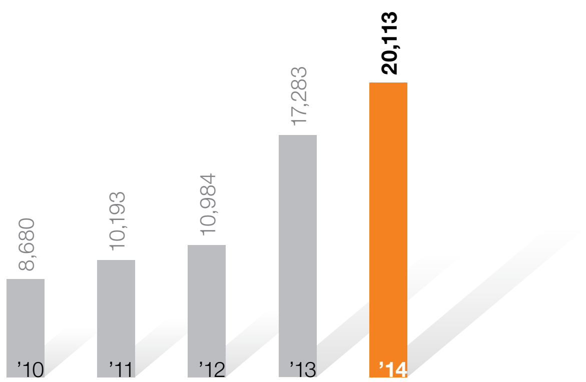
REVENUE
(RM'000)



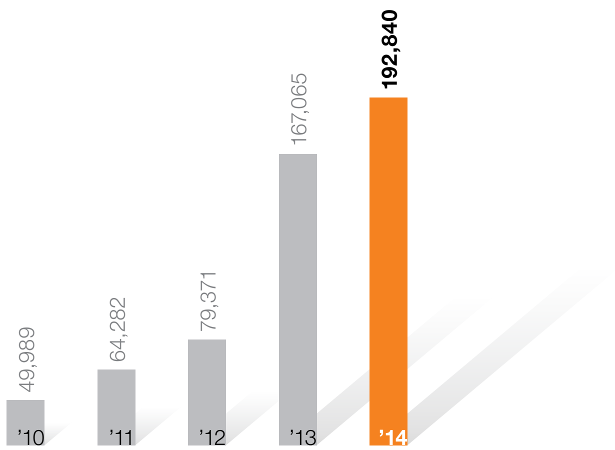
PROFIT BEFORE TAX
(RM'000)



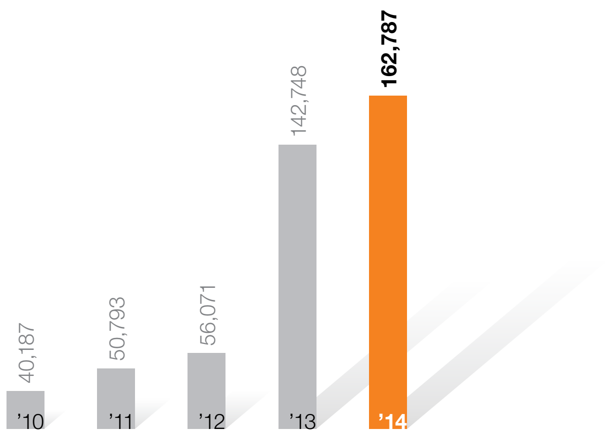
PROFIT FOR THE YEAR
(RM'000)



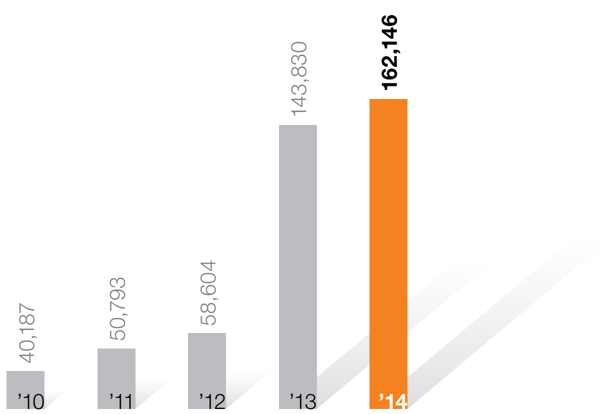
TOTAL ASSETS
(RM'000)



NET EQUITY FUNDS
(RM'000)



TOTAL EQUITY
(RM'000)



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 2012 ("MCCG 2012").

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.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear Functions of the Board and Management

The Board's role is to control and provide stewardship of the Group's business and affairs on behalf of shareholders.

The Board has delegated to the Executive Chairman and the Chief Executive Officer ("CEO") the day-to-day management of the Group. The Executive Chairman is responsible for the executive function of the management of the Company's business while the CEO leads the senior management of the Company in making and implementing the day-to-day decisions on the business operations, managing resources and risks in pursuing the corporate objectives of the Group.

Non-Executive Directors are not involved in the day-to-day management of the Group but contribute their particular expertise and experience to developing the business strategy. Their various roles in the Board Committees will contribute towards the enhancement of the corporate governance and controls of the Group.

Board Roles and Responsibilities

The Board assumes the following principal roles and responsibilities in discharging its fiduciary and leadership function:-

(1) Review, evaluate, adopt and approve the strategic plans and policies for the Company and the Group;

(2) Oversee and monitor the conduct of the businesses and financial performance and major capital commitments of the Company and the Group;

(3) Review and adopt budgets and financial results of the Company and the Group, monitor compliance with applicable accounting standards and the integrity and adequacy of financial information disclosure;

(4) Review and approve any major corporate proposals, new business ventures or joint ventures of the Group;

(5) Review, evaluate and approve any material acquisitions and disposals of undertakings and assets in the Group;

(6) Identify principal risks and assess the appropriate risk management systems to be implemented to manage these risks;

(7) Establish and oversee a succession planning programme for the Company and the Group including the remuneration and compensation policy thereof;

(8) Establish, review and implement corporate communication policies with the shareholders and investors, other key stakeholders and the public;

(9) Review and determine the adequacy and integrity of the internal control systems and management information of the Company and the Group; and

(10) Develop a corporate code of conduct to address, amongst others, any conflicts of interest relating to directors, major shareholders and/or management.

The Board is supported by the committees that provide independent oversights of management and to ensure that there are appropriate checks and balances. These Board Committees are:-

(i) Audit and Risk Management Committee

(ii) Nomination Committee

(iii) Remuneration Committee

(iv) Employees' Share Option Committee

The Board Committees have their roles and functions, written terms of reference and authorities clearly defined. The Board reviews the terms of reference of the Board Committees periodically to ensure their relevance.

Other committees may be formed from time to time as dictated by business imperatives and/or to promote operational efficiency.

Formalise ethical standards through Code of Ethics

The Board has adopted a Code of Ethics for Directors ("Code"). The Code was formulated to enhance the standard of corporate governance and promote ethical conduct of the Directors.

The Group also has in place a Code of Conduct covering Business Ethics, workplace safety and employee personal conduct. This is to ensure a high standard of ethical and professional conduct is upheld by all its employees in the performance of their duties and responsibilities. All employees are required to declare that they have received, read and understood the provisions of the Code of Conduct.

Strategies promoting sustainability

The Board views the commitment to sustainability and environmental, social and governance performance as part of its broader responsibility to clients, shareholders and the communities in which it operates.

The details of the sustainability effort are set out in the Corporate Social Responsibility statement of this Annual Report.

Access to information and advice

The Directors have full and timely access to information concerning the Company and the Group. The Directors are provided with the relevant agenda and Board papers in sufficient time prior to Board meetings to enable them to have an overview of matters to be discussed or reviewed at the meetings and to seek further clarifications, if any. The Board papers include reports on the Group's financial, operational and corporate developments and proposals.

The Board is supported by suitably qualified, experienced and competent Company Secretaries who are also members of a professional body. The Company Secretary plays an advisory role to the Board in relation to the Company's constitution and advises the Board on any updates relating to new statutory and relevant regulatory requirements pertaining to the duties and responsibilities of Directors as and when necessary.

The Directors have access to the advice and services of the senior Management staff in the Group and they may also obtain independent professional advice at the Company's expense in furtherance of their duties.

Board Charter

The Board has adopted a Board Charter to promote the standards of corporate governance and clarifies, amongst others, the roles and responsibilities of the Board.

The Board Charter is subject to review by the Board annually to ensure that it remains consistent with the Board's objectives and responsibilities. The Board Charter is also available on the Company's website at www.berjaya.com.

STATEMENT ON CORPORATE GOVERNANCE

2. STRENGTHEN COMPOSITION

Nomination Committee

The role of the Nomination Committee is to assist the Board in ensuring that the Board comprises individuals with the requisite skills, knowledge, experience and personal characteristics.

The Nomination Committee makes independent recommendations to the Board on suitable candidates for appointment to the Board. The Nomination Committee comprises exclusively of Non-Executive Directors, with a majority of them being independent. Currently, the members 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 Nomination Committee also conducts annual review of the structure, size and composition of the Board, including the balance mix of skills, knowledge, experience and independence of the Non-Executive Directors.

Develop, maintain and review criteria for recruitment and annual assessment of Directors

<u>Appointment to the Board and Re-election of Directors</u>

The Board delegates to the Nomination Committee the responsibility of recommending the appointment of any new Director. The Nomination Committee is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous and also appointments are made on merit. In evaluating the suitability of candidates to the Board, the Nomination Committee shall ensure that the candidates selected possess the necessary background, skills, knowledge, experience and personal characteristics.

The Company's Articles of Association provides that at least one-third of the Directors are subject to retirement by rotation at each Annual General Meeting ("AGM") and that all Directors shall retire once in every three years, and are eligible to offer themselves for re-election. The Articles of Association also provides that a Director who is appointed during the year shall be subject to re-election at the next AGM to be held following his appointment.

Pursuant to Section 129(6) of the Companies Act, 1965, a Director who is over seventy (70) years of age shall retire at the AGM of the Company, and may offer himself/herself for re-appointment to hold office until the next AGM.

The Nomination Committee is responsible for recommending to the Board those Directors who are eligible to stand for re-election/re-appointment.

<u>Annual Assessment</u>

The Nomination Committee reviews annually, the effectiveness of the Board and Board Committees as well as the performance of individual directors. The evaluation involves individual Directors and Committee members completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered. The evaluation process also involved a peer and self-review assessment, where Directors will assess their own performance and that of their fellow Directors. These assessments and comments by all Directors were summarised and discussed at the Nomination Committee meeting which were then reported to the Board at the Board Meeting held thereafter. All assessments and evaluations carried out by the Nomination Committee in the discharge of its duties are properly documented.

During the meeting held in June 2014, the Nomination Committee reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board; the performance of each individual Director; independence of the Independent Directors; effectiveness of the Board and the Board Committees; and also the review of the Directors who are retiring and who are eligible for re-election.

Boardroom Gender Diversity

The Board is supportive of gender diversity recommendations made in the MCCG 2012 as the Board currently has two (2) female Directors out of seven (7) Directors, representing 28% of the full Board. The Board is comfortable with its current composition.

Remuneration policies and procedures

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 primary function of the Remuneration Committee is to set up the policy framework and to recommend to the Board on remuneration packages and other terms of employment of the executive directors. The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively.

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 Director concerned abstaining from deliberations and voting on decision in respect of his individual remuneration package. The Board recommends the Directors' fees payable to Non-Executive Directors on a yearly basis to the shareholders for approval at the AGM.

Details of Directors' remuneration paid or payable to all Directors of the Company by the Group and categorised into appropriate components for the financial year ended 30 April 2014 are as follows:-

	RM			
	FEES	SALARIES AND OTHER EMOLUMENTS	BONUS	TOTAL
Executive	–	725,800	102,000	827,800
Non-Executive	72,329	7,600	–	79,929
	72,329	**733,400**	**102,000**	**907,729**

The number of Directors of the Company in office at the end of the financial year who received remuneration from the Group and their remuneration falling within the respective bands are as follows:-

	NUMBER OF DIRECTORS	
	EXECUTIVE	NON-EXECUTIVE
RM1 – RM50,000	–	3
RM800,001 – RM850,000	1	–
	1	**3**

STATEMENT ON CORPORATE GOVERNANCE

3. REINFORCE INDEPENDENCE

Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in its decision making process. The presence of the Independent Non-Executive Directors is essential in providing unbiased and impartial opinion, advice and judgment to ensure the interests of the Group, shareholders, employees, customers and other communities in which the Group conducts its businesses are well represented and taken into account.

The Board, through the Nomination Committee, assesses the Independence of its Independent Non-Executive Directors based on criteria set out in the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The current Independent Directors of the Company namely, Datuk Zainun Aishah Binti Ahmad and Dato' Mustapha Bin Abd Hamid have fulfilled the criteria of "independence" as prescribed under Chapter 1 of the Listing Requirements of Bursa Securities. The Company also fulfills the requirement to have at least one-third of its Board members being Independent Non-Executive Directors.

Tenure of Independent Directors

The Board does not have term limits for its Independent Directors and is of the view that the Independence of the Independent Directors should not be determined solely or arbitrary by their tenure of service. The Board believes that continued contribution will provide stability and benefits to the Board and the Company as a whole especially their invaluable knowledge of the Group and its operations gained through the years. The calibre, qualification, experience and personal qualities, particularly of the Director's integrity and objectivity in discharging his responsibilities in the best interest of the Company predominantly determines the ability of a Director to serve effectively as an Independent Director. Currently, none of the Independent Directors had served the Company for a cumulative term of nine (9) years.

Separation of positions of the Chairman and Chief Executive Officer

The Chairman of the Company is currently also holding an executive position and he is responsible for the executive function of the management of the Company business. The Board is aware that it is not in compliance with the best practices of the MCCG 2012 which recommends that the Chairman of a company shall be a non-executive independent director.

However, the Board is satisfied with the executive capacity of the Chairman in view of his experience and knowledge of the food business of the Group, and his directorship in the principal subsidiary of the Company, namely, Berjaya Roasters (M) Sdn Bhd. The presence of the two existing Independent Directors, though not forming a majority of the Board members, is sufficient to provide the required checks and balances on the decision making process of the Board. The significant contributions of the Independent Directors in the decision making process is evidenced in their participation as members of the various committees of the Board. In addition, majority of the Non-Independent Directors are non-executive and therefore they will also help to provide views and contributions from a different perspective as they are not involved in the day to day operations of the Group.

The Executive Chairman is elected by the Board and will preside at all Board meetings and general meetings of the Company. The Executive Chairman will ensure that procedural rules are followed in the conduct of meetings and that decisions made are formally recorded and adopted.

STATEMENT ON CORPORATE GOVERNANCE

Board Composition and Balances

The Board composition represents a mix of knowledge, skills, and expertise which assist the Board in effectively discharging its stewardship and responsibilities. The Board currently has seven (7) members comprising the Executive Chairman, the CEO, two (2) Independent Non-Executive Directors and three (3) Non-Executive Non-Independent Directors.

Two (2) of the Non-Executive Non-Independent Directors are nominee representatives of Perbadanan National Berhad, a substantial shareholder of the Company. The Board is satisfied that the current composition and size of the Board provide sufficient diversity and yet allow for effective decision making. The profiles of the Directors are set out on pages 3 to 6 of this Annual Report.

The present composition of the Board is in compliance with Chapter 15.02 of the Listing Requirements of Bursa Securities of at least 1/3 of its members being Independent Directors.

Datuk Zainun Aishah Binti Ahmad has been identified as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed.

4. FOSTER COMMITMENT

Time Commitment

The Board meets regularly on a quarterly basis with additional meetings being convened as necessary. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

During the financial year ended 30 April 2014, the Board met four (4) times and the attendances of the Directors at the Board meetings are as follows:-

DIRECTORS	ATTENDANCE
Dato' Robin Tan Yeong Ching	4/4
Dato' Lee Kok Chuan	4/4
Tan Thiam Chai	4/4
Datuk Zainun Aishah Binti Ahmad#	4/4
Dato' Mustapha Bin Abd Hamid#	4/4
Datuk Idris Bin Hashim (appointed w.e.f. 2 December 2013)	2/2*
Dato' Zurainah Binti Musa (appointed w.e.f. 7 March 2014)	1/1*

# denotes Independent Non-Executive Director

* Reflects the number of Board meetings attended during the financial year after the Director was appointed.

All Board members are required to notify the Chairman of the Board before accepting new directorships outside the Group and indicating the time that will be spent on the new directorship. Similarly, the Chairman of the Board shall also do likewise before taking up any additional appointment of directorships.

Directors' Training

All the Directors have completed the Mandatory Accreditation Programme as required by Bursa Securities.

The Board believes that continuous training for Directors is vital for the Board members to enhance their skills and knowledge and to enable them to discharge their duties effectively. As such, the Directors will continuously attend the necessary training programmes, conferences, seminars and/or forums so as to keep abreast with the current developments in the various industries as well as the current changes in laws and regulatory requirements.

STATEMENT ON CORPORATE GOVERNANCE

During the year, the seminars and conferences attended by the Directors are as follows:-

DIRECTORS	SEMINARS/CONFERENCES/FORUM
Dato' Robin Tan Yeong Ching	– International Corporate Governance Seminar 2013 – Bursa Malaysia's revised Corporate Governance Guide – Malaysia-China Economic Cooperation Summit
Dato' Lee Kok Chuan	– Advocacy Session on Corporate Disclosure for Directors – Corporate Compliance – Focussing on Directors' duties, liabilities and expectations – Corporate Governance Guide – Towards Boardroom Excellence (2nd Edition) – An Update
Tan Thiam Chai	– The Association of Chartered Certified Accountants – Future of Corporate Reporting – Advocacy Sessions on Corporate Disclosure for Directors – Malaysian Accounting Standards Board – Outreach on the new Revenue Standard – Government Intervention in Business Some Public Policy Issues – Inaugural Marketplace Huddle for the BursaMKTPLC Launch
Datuk Zainun Aishah Binti Ahmad	– Nominating Committee Programme – Risk Management Forum – Embracing risks for long term corporate success in boosting risk governance – Directors' Continuing Education Programme 2013: • The importance of Government Relations to the bottom line • The importance of the wider stakeholder environment – civil society and the community • Practical application of Government Relations design and strategy, lessons and best practices • Managing Asia's New Competitive Games
Dato' Mustapha Bin Abd Hamid	– Nominating Committee Programme – Board Chairman Session – Corporate Governance Guide – Towards Boardroom Excellence (2nd Edition) – An Update
Datuk Idris Bin Hashim	– Directors Forum – "The Innovation Zone: Unleashing the Mindset" – Reconciling Leadership with Governance – Sustainable value creation requires both dynamic leadership and good corporate governance
Dato' Zurainah Binti Musa	– CEO Forum 2013 – Corporate Governance Guide – Towards Boardroom Excellence (2nd Edition) – An Update

The Board will, on a continuous basis, evaluate and determine the training needs of its members to assist them in the discharge of their duties as Directors.

STATEMENT ON CORPORATE GOVERNANCE

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards

The Board strives to provide a clear, balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, through the annual audited financial statements and quarterly financial reports, and corporate announcements on significant developments affecting the Company in accordance with the Listing Requirements of Bursa Securities.

The Board is 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.

The Board is also assisted by the Audit and Risk Management Committee ("ARMC") in the discharge of its duties on financial reporting and ensuring that the Group maintains a proper financial reporting process and a high quality financial reporting. A full ARMC Report detailing its composition, terms of reference and a summary of activities during the financial year is set out on pages 31 to 34 of the Annual Report.

Statement of Directors' Responsibility in respect of the Financial Statements

The Companies Act 1965 ("the Act") 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 Act and applicable financial reporting standards in Malaysia. The Directors are also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Assessment of external auditors

The ARMC is responsible for the annual assessment of the competency and independence of the external auditors. Having assessed their performance, the ARMC will recommend their re-appointment to the Board, upon which the shareholders' approval will be sought at the AGM.

The external auditors are required to declare their independence annually to the ARMC as specified by the By-Laws issued by the Malaysian Institute of Accountants. The external auditors have provided the declaration in their annual audit plan presented to the ARMC of the Company.

6. RECOGNISE AND MANAGE RISKS

Sound framework to manage risks

The Board entrusts the ARMC 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.

The Company continues to maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investments.

Internal Audit Function

The Board acknowledges its overall responsibility for the Group's system of internal control and its effectiveness as well as reviewing its adequacy and integrity to safeguard shareholders' investments and the Group's assets.

The internal audit function of the Company is provided by the Internal Audit Division of the ultimate holding company, Berjaya Corporation Berhad, based on the plan approved by the ARMC, to assist the Board in maintaining a sound system of internal control for the purposes of safeguarding shareholders' investment and the Group's assets.

The Statement on Risk Management and Internal Control set out on pages 29 to 30 of this Annual Report provides an overview of the state of internal controls within the Group.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board will ensure that it adheres to and comply with the disclosure requirements of the Main Market Listing Requirements of Bursa Securities as well as the Corporate Disclosure Guide issued by Bursa Securities.

The Group acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. As such, the Group accords a high priority in ensuring that information is made available and disseminated as early as possible.

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

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Shareholders participation at General Meetings

The Company fully recognises the rights of the shareholders and encourages them to exercise their rights at the Company's general meetings. The AGM remains the principal forum for dialogue with shareholders where they may seek clarifications on the Group's businesses.

The Company despatches its notice of meeting at least 21 days before the AGM together with a copy of the Annual Report.

At the AGM, the General Manager of Group Accounts and Budgets provides a brief financial overview of the financial year's performance to the shareholders. The shareholders are also invited to raise questions pertaining to the business activities of the Group during the AGM. The external auditors are also present to provide professional and independent clarification on issues and concerns raised by the shareholders.

Poll voting

All resolutions passed by the shareholders at the previous AGM held on 10 October 2013 were voted by a show of hands.

Going forward, the Board will give due consideration on the mode of voting on any resolutions at the AGM and/or Extraordinary General Meeting, including voting by way of a poll, particularly if the proposals are of a substantive nature.

Effective communication and proactive engagements with shareholders

The Company recognises the importance of being transparent and accountable to its shareholders and, as such, maintains an active and constructive communication policy that enables the Board and Management to communicate effectively with investors, financial community and the public generally. The various channels of communications are through the quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, meetings with analysts and fund managers, general meetings of shareholders and through the Group's website at www.berjaya.com where shareholders can access corporate information, annual reports, press release, financial information and company announcements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. The Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements require Directors of listed companies to include a statement in annual reports on the state of their risk management and internal controls. The Bursa Securities' Statement on Internal Control: Guidance for Directors of Public Listed Companies ("Guidance") provides guidance for compliance with these requirements. The Board's Risk Management and Internal Control Statement, which has been prepared in accordance with the Guidance, is set out below.

RESPONSIBILITY

The Board of Directors recognises the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of those systems. It should be noted, however, that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. In addition, it should be noted that any system could provide only reasonable, and not absolute assurance, against material misstatement or loss.

The Group had in place an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives throughout the period. This process is regularly reviewed by the Board, which dedicates time for discussion on this subject.

The Board has undertaken a review of the adequacy and effectiveness of the risk management and internal control system and concluded that the risk management and internal control system is adequate and effective. Further, the Board has obtained assurance from the Chief Executive Officer and the director primarily responsible for the management of the financial affairs of the Company that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

RISK MANAGEMENT FRAMEWORK

The Board has established an organisation structure with clearly defined lines of accountability and delegated authority. It has extended the responsibilities of the Audit and Risk Management Committee ("ARMC") to include the work of monitoring all internal controls and risk management. Its review covers matters such as responses to significant risks identified, output from the monitoring process and changes made to the internal control systems.

INTERNAL AUDIT FUNCTION

The Board recognises that effective monitoring on a continuous basis is a vital component of a sound internal control system. In this respect, the ARMC carries out an internal audit function to monitor and assess the effectiveness of the internal control system. Observations from internal audits were presented to the ARMC together with management's response and proposed action plans for its review. The action plans were then followed up during subsequent internal audits with implementation status reported to the ARMC.

The internal audit function is outsourced to Group Internal Audit Division of Berjaya Corporation Berhad, which reports directly to the ARMC. The scope of work covered by the internal audit function is determined by the ARMC after careful consideration and discussion of the audit plan with the Board.

The Board through the ARMC regularly receives and reviews reports on internal control, which include highlights on significant risks affecting the Group, from its internal audit function.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's internal control systems are described below:-

- Clearly defined delegation of responsibilities to committees of the Board and to management of Head Office and operating units, including authorisation level for all aspects of the business which are set out in an authority matrix;
- Regular and comprehensive information provided to management, covering financial performance and key business indicators, such as cashflow performance; and
- Regular visits to operating units by senior management.

The system of internal control was satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

CONTROL SELF-ASSESSMENT

Having identified the risks to achieving the Group's strategic objectives, each functional area is required to document the management and mitigating actions for each significant risk. New areas are introduced for assessment as the business risk profile changes and are reviewed by the management team.

Each quarter, the Group Internal Audit Division will prepare a risk profile which summarises the risks, the controls and processes for managing them and the means for assuring management that the processes are effective. This information will be updated in a timely manner and reviewed by the management team. The Group Internal Audit Division then reports to the Board significant changes in the business and the external environment that affect key risks.

Moving forward, the Company will further enhance its risks and controls identification and monitoring methodology. In addition, the Group Internal Audit Division undertakes to broaden the development and refinement of its risk-based techniques, enhance the level of staff expertise and benchmark itself against global best practices in risk management.

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 ("the ARMC") for the financial year ended 30 April 2014.

MEMBERS AND MEETING ATTENDANCES

The members of the ARMC 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 ARMC held five (5) meetings during the financial year ended 30 April 2014. The details of attendance of the ARMC members are as follows:-

NAME	ATTENDANCE
Datuk Zainun Aishah Binti Ahmad	5/5
Dato' Mustapha Bin Abd Hamid	5/5
Tan Thiam Chai	5/5

The General Manager of Group Internal Audit and the General Manager of Group Accounts and Budgets were also invited to attend the ARMC meetings. The External Auditors were invited to attend three (3) of these meetings.

SUMMARY OF ACTIVITIES

The activities undertaken by the ARMC during the financial year ended 30 April 2014 included the following:-

(a) Reviewed the quarterly and year-to-date unaudited financial results before submission to the Board for consideration and approval;

(b) Reviewed the External Auditors' scope of work and audit plan for the financial year ended 30 April 2014;

(c) Reviewed and discussed the External Auditors' audit report and areas of concern in the management letter thereof;

(d) Reviewed the internal audit reports presented and considered the major findings of internal audit in the operating subsidiaries of the Group and jointly controlled entity through the review of internal audit reports tabled and management responses thereto and ensuring significant findings were adequately addressed by management;

(e) Reviewed the risk management activities of operating subsidiaries and jointly controlled entity and ensuring appropriate measures were in place to reduce business risk exposures;

(f) Reviewed and recommended for Board's approval, the Audited Financial Statements of the Company;

(g) Reviewed and recommended for Board's approval, the Statement of Corporate Governance, the Statement on Risk Management and Internal Control as well as the ARMC Report for inclusion in the Annual Report;

(h) Reviewed the Internal Audit Plan for year 2015; and

(i) Reviewed the circular to shareholders in connection with the recurrent related party transactions.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ARMC had reviewed and verified that the allocation of options granted during the financial year under the ESOS of the Company were in accordance with the allocation criteria approved by the ESOS Committee and in compliance with the ESOS Bylaws.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Company had granted options under the ESOS governed by the Bylaws that was approved by the Company's shareholders at the Extraordinary General Meeting held on 14 January 2011. The ESOS is for a period of 5 years from 8 March 2011. There is only one (1) ESOS in existence during the financial year ended 30 April 2014 with information as follows:-

	DURING THE FINANCIAL YEAR ENDED 30 APRIL 2014
Total number of options granted	5,105,800
Total number of options exercised	1,121,840
Total options outstanding	4,323,840

GRANTED TO DIRECTORS	DURING THE FINANCIAL YEAR ENDED 30 APRIL 2014
Aggregate options granted	139,700
Aggregate options exercised	570,440
Aggregate options outstanding	999,260

GRANTED TO DIRECTORS & SENIOR MANAGEMENT	DURING THE FINANCIAL YEAR ENDED 30 APRIL 2014	SINCE COMMENCEMENT OF THE ESOS ON 8 MARCH 2011
Aggregate maximum allocation in percentage	20.36	33.28
Actual percentage granted	6.65	26.62

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

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

For the financial year under review, the Internal Audit Division conducted audit assignments on the operating units of the Group involved in the development and operation of the "Starbucks Coffee" stores in Malaysia, "Kenny Rogers Roasters" chain of restaurants in Malaysia & Indonesia and "Jollibean", Sushi Deli" & "Kopi Alley" outlets in Singapore.

The activities undertaken by the Internal Audit Division during the financial year ended 30 April 2014 included the following:

(1) Tabled Internal Audit Plan for the ARMC's review and endorsement.

(2) Reviewed the existing systems, controls and governance processes of the operating units within the Group.

(3) Conducted 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.

(4) Provided recommendations to assist the operating units and the Group in accomplishing its internal control requirements by suggesting improvements to the control processes.

(5) Issued internal audit reports incorporating audit recommendations and management's responses in relation to audit findings on weaknesses in the systems and controls to the ARMC and the respective operations management.

(6) Presented internal audit reports to the ARMC for review.

(7) Followed up review to ensure that the agreed internal audit recommendations were effectively implemented.

The cost incurred for the Internal Audit function in respect of the financial year ended 30 April 2014 was approximately RM112,800.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

TERMS OF REFERENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

1. MEMBERSHIP

The ARMC shall be appointed by the Board from amongst the Directors and shall consist of not less than three members and all the ARMC members must be non-executive directors, with majority of them being independent directors and at least one member of the ARMC 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 ARMC 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 ARMC shall consist of two members and a majority of the members present must be Independent Directors.

3. CHAIRMAN

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

4. SECRETARY

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

The Secretary shall also be responsible for keeping the minutes of meetings of the ARMC and circulating them to the ARMC 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 ARMC 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 ARMC is also authorised by the Board to obtain external legal or other independent professional advice as necessary.

The ARMC 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 ARMC 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;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(d) To prepare ARMC 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 ARMC and the Board of Directors from time to time;

(j) In compliance with Paragraph 15.16 of the Main Market Listing Requirements, where the ARMC 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 ARMC must promptly report such matter to Bursa Securities; and

(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 risk management and 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.

FINANCIAL STATEMENTS

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 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are the development and operation of restaurant chains and retail outlets in Malaysia and other South-East Asian countries, and investment holding.

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	20,113	10,738
Attributable to:		
– Owners of the parent	22,669	10,738
– Non-controlling interests	(2,556)	–
	20,113	10,738

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

The dividends paid by the Company since 30 April 2013 were as follows:

	RM'000
<u>In respect of the financial year ended 30 April 2013</u>	
Second interim dividend of 4.00% or 2 sen per share single-tier exempt dividend, paid on 26 July 2013	5,254
<u>In respect of the financial year ended 30 April 2014</u>	
First interim dividend of 3.50% or 1.75 sen per share single-tier exempt dividend, paid on 23 January 2014	4,655
The directors declared and approved on 16 June 2014: Second interim dividend of 5.00% or 2.5 sen per share single-tier exempt dividend, paid on 25 July 2014	6,996*

* The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 30 April 2015.

The directors do not recommend the payment of final dividend in respect of the current financial year.

DIRECTORS' REPORT

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	
Dato' Mustapha Bin Abd Hamid	
Tan Thiam Chai	
Datuk Idris Bin Hashim	(Appointed on 2.12.2013)
Dato' Zurainah Binti Musa	(Appointed on 7.03.2014)

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 the 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 year, 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 21 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 01.05.13/ DATE OF APPOINTMENT	ACQUIRED	DISPOSED	AT 30.04.14
The Company					
Dato' Robin Tan Yeong Ching		965,300	912,260	–	1,877,560
Dato' Lee Kok Chuan		756,300	122,000	–	878,300
Dato' Mustapha Bin Abd Hamid		246,000	23,480	20,000	249,480
Dato' Zurainah Binti Musa	*	17,452,000	–	–	17,452,000
Datuk Zainun Aishah Binti Ahmad		72,000	–	–	72,000
Tan Thiam Chai		260,000	–	–	260,000

	NUMBER OF ORDINARY SHARES OF RM0.50 EACH UNDER EMPLOYEES' SHARE OPTION SCHEME			
	AT 01.05.13	GRANTED	EXERCISED	AT 30.04.14
Dato' Robin Tan Yeong Ching	600,000	58,700	446,960	211,740
Dato' Lee Kok Chuan	650,000	63,600	100,000	613,600
Dato' Mustapha Bin Abd Hamid	60,000	5,800	23,480	42,320
Datuk Zainun Aishah Binti Ahmad	60,000	5,800	–	65,800
Tan Thiam Chai	60,000	5,800	–	65,800

		NUMBER OF WARRANTS		
	AT 01.05.13	ACQUIRED	EXERCISED	AT 30.04.14
Dato' Robin Tan Yeong Ching	465,300	–	465,300	–
Dato' Lee Kok Chuan	356,300	–	–	356,300
Datuk Zainun Aishah Binti Ahmad	32,000	–	–	32,000
Tan Thiam Chai	120,000	–	–	120,000

DIRECTORS' INTERESTS (CONTINUED)

Ultimate holding company:

		NUMBER OF ORDINARY SHARES OF RM1.00 EACH			
		AT 01.05.13	ACQUIRED	DISPOSED	AT 30.04.14
Berjaya Corporation Berhad ("BCorp")					
Dato' Robin Tan Yeong Ching		2,222,847	–	–	2,222,847
	(a)	5,000	–	–	5,000
	*	599,416,995	–	–	599,416,995
Dato' Lee Kok Chuan		24,000	–	–	24,000
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 01.05.13	ACQUIRED	DISPOSED	AT 30.04.14
Dato' Robin Tan Yeong Ching	*	12,401,200	–	–	12,401,200
Dato' Lee Kok Chuan		22	–	–	22
	(a)	17	–	–	17

		NUMBER OF 5% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2012/2022 OF RM1.00 NOMINAL VALUE EACH			
		AT 01.05.13	ACQUIRED	DISPOSED	AT 30.04.14
Dato' Robin Tan Yeong Ching		2,620,500	–	–	2,620,500
	*	87,029,000	–	–	87,029,000
	(a)	1,000	–	–	1,000
Dato' Lee Kok Chuan		50,000	–	–	50,000
Tan Thiam Chai		20,600	–	–	20,600
	(a)	17,400	–	–	17,400

		NUMBER OF WARRANTS			
		AT 01.05.13	ACQUIRED	EXERCISED	AT 30.04.14
Dato' Robin Tan Yeong Ching		2,620,500	–	–	2,620,500
	*	87,029,000	–	–	87,029,000
	(a)	1,000	–	–	1,000
Tan Thiam Chai		20,600	–	–	20,600
	(a)	17,400	–	–	17,400

Related companies:

		NUMBER OF ORDINARY SHARES OF RM0.50 EACH			
		AT 01.05.13	ACQUIRED	DISPOSED	AT 30.04.14
Berjaya Land Berhad					
Dato' Robin Tan Yeong Ching		600,000	–	–	600,000
	*	56,600,000	–	–	56,600,000
Tan Thiam Chai		40,000	–	–	40,000

DIRECTORS' INTERESTS (CONTINUED)

Related companies:

		NUMBER OF ORDINARY SHARES OF RM0.10 EACH			
		AT 01.05.13/ DATE OF APPOINTMENT	ACQUIRED	DISPOSED	AT 30.04.14
Berjaya Sports Toto Berhad ("BToto")					
Dato' Robin Tan Yeong Ching		846,400	153,600^	–	1,000,000
Dato' Lee Kok Chuan		61,333	10,062^	10,000	61,395
Dato' Zurainah Binti Musa	(a)	2,987,000	69,465#	–	3,056,465
Tan Thiam Chai		167,176	3,887#	–	171,063
	(a)	67,466	9,755^	–	77,221

		NUMBER OF ORDINARY SHARES OF RM0.50 EACH			
		AT 26.09.13	ACQUIRED	DISPOSED	AT 30.04.14
Berjaya Auto Berhad+					
Dato' Robin Tan Yeong Ching		–	150,000	–	150,000
Dato' Lee Kok Chuan		–	260,200	–	260,200
Dato' Mustapha Bin Abd Hamid	*	–	28,936,000	9,950,000	18,986,000
Tan Thiam Chai		–	10,000	–	10,000
	(a)	–	9,500	–	9,500

	NUMBER OF ORDINARY SHARES OF RM0.50 EACH UNDER EMPLOYEES' SHARE OPTION SCHEME			
	AT 26.09.13	GRANTED	EXERCISE	AT 30.04.14
Dato' Robin Tan Yeong Ching	–	1,000,000	–	1,000,000
Dato' Lee Kok Chuan	–	1,000,000	100,000	900,000

Notes:

* Indirect interests pursuant to Section 6(A) of the Companies Act, 1965.

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

Share dividend distribution by BToto on the basis of one (1) BToto treasury share for every forty three (43) existing BToto ordinary shares on 28 April 2014.

^ Inclusive of share dividend distribution by BToto on the basis of one (1) BToto treasury share for every forty three (43) existing BToto ordinary shares on 28 April 2014.

+ Berjaya Auto Berhad became a subsidiary of BCorp Group on 26 September 2013.

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' Robin Tan Yeong Ching, Dato' Lee Kok Chuan, Datuk Zainun Aishah Binti Ahmad and Lee Siew Weng.

The salient features and terms of the ESOS, details of ESOS exercised during the financial year and outstanding at the end of the financial year are disclosed in Note 26 to the financial statements.

DIRECTORS' REPORT

EMPLOYEES' SHARE OPTION SCHEME (CONTINUED)

The Company has been granted exemption by the Companies Commission of Malaysia via their letter dated 21 April 2014 from having to disclose the names of option holders, other than directors, who have been granted options to subscribe for less than 150,000 ordinary shares of RM0.50 each. The names of option holders who have been granted options to subscribe for 150,000 or more ordinary shares of RM0.50 each during the financial year are as follows:

NAME	NUMBER OF OPTIONS
Sydney Lawrance Quays	850,000
Beh Hark Yim	400,000
Chin Wan Ching	400,000
Saw Yung Sheng	200,000
How Seng Huat	200,000
Lee Kim Loong	200,000
Koh Pei Shiu	200,000
Salleh Bin Haron	150,000
Chan Yuet Yue	150,000
Angeline Lim Poh Ling	150,000
Tengku Ferry Widayat Bin T.Rizal	150,000
Steven Anthony Soosay	150,000
Mohindran a/l Munusamy	150,000
Lim B-Bee	150,000
Siow Pek San	150,000

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

ISSUE OF SHARES

During the financial year, the Company increased its issued and fully paid up share capital from RM130,521,820 to RM134,556,020 by way of the issuance of:

(i) 112,000 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 ESOS;

(ii) 1,009,840 new ordinary shares of RM0.50 each at an adjusted issue price of RM0.50 per share pursuant to the exercise of the share options that was granted under the ESOS; and

(iii) 6,946,560 new ordinary shares of RM0.50 each at an issue price of RM0.70 per share pursuant to the exercise of the warrants.

OTHER STATUTORY INFORMATION

(a) Before the statements of financial position and statements of profit or loss and other comprehensive income 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.

OTHER STATUTORY INFORMATION (CONTINUED)

(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 EVENTS

Significant events during the financial year are disclosed in Note 34 to the financial statements.

SUBSEQUENT EVENTS

Significant events subsequent to the end of the financial year are disclosed in Note 35 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 19 August 2014

DATO' LEE KOK CHUAN **TAN THIAM CHAI**

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 45 to 102 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 2014 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 36 to the financial statements on page 103 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 19 August 2014

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 45 to 103 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 19 August 2014) **DATO' LEE KOK CHUAN**

Before me:

Y.M TENGKU FARIDDUDIN BIN TENGKU SULAIMAN (W533)
Commissioner for Oaths

Kuala Lumpur

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BERJAYA FOOD BERHAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Berjaya Food Berhad, which comprise statements of financial position as at 30 April 2014 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 45 to 102.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is 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 about 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 Company's preparation of the financial statements that give a 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 Company'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 give a true and fair view of the financial position of the Group and of the Company as at 30 April 2014 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 4 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries 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.

(d) The auditors' report on the financial statements of the subsidiaries were 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 Companies Act, 1965.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BERJAYA FOOD BERHAD

OTHER REPORTING RESPONSIBLITIES

The supplementary information set out in Note 36 on page 103 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.

OTHER MATTERS

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
2030/03/16(J)
Chartered Accountant

Kuala Lumpur, Malaysia
Date: 19 August 2014

STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2014

	NOTE	GROUP 2014 RM'000	GROUP 2013 RM'000	COMPANY 2014 RM'000	COMPANY 2013 RM'000
Non-current assets					
Property, plant and equipment	3	**38,899**	30,236	**2**	2
Subsidiary companies	4	**–**	–	**73,985**	72,779
Joint venture	5	**94,450**	79,961	**71,913**	71,913
Deferred tax assets	14	**93**	183	**–**	–
Intangible assets	6	**16,088**	16,008	**–**	–
		149,530	126,388	**145,900**	144,694
Current assets					
Inventories	7	**4,251**	3,867	**–**	–
Trade and other receivables	8	**19,420**	17,576	**43,123**	29,725
Deposits with financial institutions	9	**1,899**	742	**1,481**	347
Cash and bank balances	10	**17,740**	18,492	**1,340**	476
		43,310	40,677	**45,944**	30,548
TOTAL ASSETS		**192,840**	167,065	**191,844**	175,242
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	11	**134,556**	130,522	**134,556**	130,522
Reserves	12	**28,231**	12,226	**35,420**	31,802
		162,787	142,748	**169,976**	162,324
Non-controlling interests		**(641)**	1,082	**–**	–
Total equity		**162,146**	143,830	**169,976**	162,324
Non-current liabilities					
Other long term liability	13	**38**	–	**–**	–
Deferred tax liabilities	14	**2,146**	2,387	**1**	1
Provisions	15	**2,967**	2,684	**–**	–
		5,151	5,071	**1**	1
Current liabilities					
Trade and other payables	16	**17,028**	14,570	**15,744**	12,873
Provisions	15	**628**	848	**–**	–
Short term borrowings	17	**5,931**	–	**5,931**	–
Deferred income		**334**	193	**–**	–
Taxation		**1,622**	2,553	**192**	44
		25,543	18,164	**21,867**	12,917
Total liabilities		**30,694**	23,235	**21,868**	12,918
TOTAL EQUITY AND LIABILITIES		**192,840**	167,065	**191,844**	175,242

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2014

		GROUP		COMPANY	
	NOTE	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	18	**150,369**	121,915	**11,500**	16,819
Cost of sales		**(90,689)**	(74,007)	**–**	–
Gross profit		**59,680**	47,908	**11,500**	16,819
Other income		**12,124**	10,989	**3,055**	648
Administrative expenses		**(64,567)**	(46,550)	**(2,025)**	(1,404)
		7,237	12,347	**12,530**	16,063
Finance costs	19	**(153)**	–	**(1,174)**	(505)
Share of results of joint venture		**17,489**	9,048	**–**	–
Profit before tax	20	**24,573**	21,395	**11,356**	15,558
Income tax expense	22	**(4,460)**	(4,112)	**(618)**	(292)
Profit for the year		**20,113**	17,283	**10,738**	15,266
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
– Foreign currency translation		**472**	(319)	**–**	–
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
– Re-measurement gain on defined benefit plan		**52**	–	**–**	–
Total comprehensive income for the year		**20,637**	16,964	**10,738**	15,266
Profit attributable to:					
– Owners of the parent		**22,669**	18,628	**10,738**	15,266
– Non-controlling interests		**(2,556)**	(1,345)	**–**	–
		20,113	17,283	**10,738**	15,266
Total comprehensive income Attributable to:					
– Owners of the parent		**23,125**	18,415	**10,738**	15,266
– Non-controlling interests		**(2,488)**	(1,451)	**–**	–
		20,637	16,964	**10,738**	15,266
Earnings per share (sen)	23				
– Basic		**8.58**	8.17		
– Diluted		**7.01**	6.53		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2014

	ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY									
		NON-DISTRIBUTABLE					DISTRI-BUTABLE			
GROUP	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	ESOS RESERVE^ RM'000	WARRANT RESERVE RM'000	EXCHANGE RESERVE RM'000	MERGER DEFICIT RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
At 1 May 2012	71,738	1,682	427	–	(94)	(55,087)	37,405	56,071	2,533	58,604
Total comprehensive income for the year	–	–	–	–	(213)	–	18,628	18,415	(1,451)	16,964
Transactions with owners										
Rights issue	57,541	–	–	21,866	–	–	(4,604)	74,803	–	74,803
Rights issue expenses	–	(876)	–	–	–	–	–	(876)	–	(876)
ESOS options exercised	352	132	(125)	–	–	–	–	359	–	359
Warrants exercised	891	695	–	(339)	–	–	–	1,247	–	1,247
Share-based payment under ESOS	–	–	225	–	–	–	–	225	–	225
Dividends (Note 24)	–	–	–	–	–	–	(7,496)	(7,496)	–	(7,496)
	58,784	(49)	100	21,527	–	–	(12,100)	68,262	–	68,262
At 30 April 2013/ 1 May 2013	130,522	1,633	527	21,527	(307)	(55,087)	43,933	142,748	1,082	143,830
Total comprehensive income for the year	–	–	–	–	429	–	22,696	23,125	(2,488)	20,637
Transactions with owners										
ESOS options exercised	561	192	(191)	–	–	–	–	562	–	562
ESOS options forfeited	–	440	(440)	–	–	–	–	–	–	–
Warrants exercised	3,473	2,709	–	(1,320)	–	–	–	4,862	–	4,862
Share-based payment under ESOS	–	–	1,399	–	–	–	–	1,399	–	1,399
Capital contribution by non-controling interests	–	–	–	–	–	–	–	–	765	765
Dividends (Note 24)	–	–	–	–	–	–	(9,909)	(9,909)	–	(9,909)
	4,034	3,341	768	(1,320)	–	–	(9,909)	(3,086)	765	(2,321)
At 30 April 2014	**134,556**	**4,974**	**1,295**	**20,207**	**122**	**(55,087)**	**56,720**	**162,787**	**(641)**	**162,146**

^ This represents the reserve relating to the Employees' Share Option Scheme ("ESOS").

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2014

COMPANY	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	ESOS RESERVE RM'000 (NON-DISTRIBUTABLE)	WARRANT RESERVE RM'000	RETAINED EARNINGS RM'000 (DISTRIBUTABLE)	TOTAL EQUITY RM'000
At 1 May 2012	71,738	1,682	427	–	4,949	78,796
Total comprehensive income for the year	–	–	–	–	15,266	15,266
Transactions with owners						
Rights issue	57,541	–	–	21,866	(4,604)	74,803
Rights issue expenses	–	(876)	–	–	–	(876)
ESOS options exercised	352	132	(125)	–	–	359
Warrants exercised	891	695	–	(339)	–	1,247
Share-based payment under ESOS	–	–	225	–	–	225
Dividends (Note 24)	–	–	–	–	(7,496)	(7,496)
	58,784	(49)	100	21,527	(12,100)	68,262
At 30 April 2013/1 May 2013	130,522	1,633	527	21,527	8,115	162,324
Total comprehensive income for the year	–	–	–	–	10,738	10,738
Transactions with owners						
ESOS options exercised	561	192	(191)	–	–	562
ESOS options forfeited	–	440	(440)	–	–	–
Warrants exercised	3,473	2,709	–	(1,320)	–	4,862
Share-based payment under ESOS	–	–	1,399	–	–	1,399
Dividends (Note 24)	–	–	–	–	(9,909)	(9,909)
	4,034	3,341	768	(1,320)	(9,909)	(3,086)
At 30 April 2014	**134,556**	**4,974**	**1,295**	**20,207**	**8,944**	**169,976**

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2014

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	**163,471**	134,553	**–**	–
Payment to suppliers and operating expenses	**(146,450)**	(119,439)	**(1,290)**	(1,322)
Payment of tax	**(6,395)**	(3,009)	**(470)**	–
Net cash flow generated from/(used in) operating activities	**10,626**	12,105	**(1,760)**	(1,322)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sales of property, plant and equipment	**78**	87	**–**	–
Sales of investment in subsidiary	**–**	–	**300**	–
Acquisition of property, plant and equipment (Note 3)	**(15,867)**	(10,542)	**(3)**	–
Acquisition of investment in subsidiary company (Note a)	**–**	(16,346)	**(300)**	–
Acquisition of investment in a joint venture	**–**	(17,047)	**–**	(17,047)
Interest received	**84**	382	**2,455**	648
Dividend received	**–**	–	**8,500**	19,822
Dividend received from a joint venture	**3,000**	1,000	**3,000**	1,000
Loan to related companies	**–**	(82)	**(13,449)**	(26,615)
Repayment from related companies	**–**	143	**5**	–
Other payment arising on investing activities	**(143)**	–	**–**	–
Net cash flow (used in)/generated from investing activities	**(12,848)**	(42,405)	**508**	(22,192)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of share capital	**5,424**	21,544	**5,424**	21,544
Capital contribution by non-controlling interests	**765**	–	**–**	–
Payment of rights issue expenses	**–**	(876)	**–**	(876)
Drawdown of bank borrowings	**5,931**	–	**5,931**	–
Interest paid	**(124)**	–	**(1,145)**	(505)
Dividends paid	**(9,909)**	(7,496)	**(9,909)**	(7,496)
Advance from a joint venture	**–**	120	**–**	120
Advance from related companies	**487**	–	**7,188**	11,039
Repayment to related companies	**(559)**	(20)	**(4,239)**	–
Net cash flow generated from financing activities	**2,015**	13,272	**3,250**	23,826
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(207)**	(17,028)	**1,998**	312
EFFECT OF EXCHANGE RATE CHANGES	**612**	(448)	**–**	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**19,234**	36,710	**823**	511
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**19,639**	19,234	**2,821**	823

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2014

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH AND CASH EQUIVALENTS				
The closing cash and cash equivalents comprise of the following:				
Cash and bank balances	**17,740**	18,492	**1,340**	476
Deposits with financial institutions	**1,899**	742	**1,481**	347
	19,639	19,234	**2,821**	823

Note:

(a) Analysis of the effects of the acquisition of subsidiary company on cash flows is as follows:

	GROUP	
	2014 RM'000	2013 RM'000
Property, plant and equipment (Note 3)	–	1,382
Trademarks (Note 6)	–	7,646
Net other assets acquired	–	2,684
Goodwill on consolidation (Note 6)	–	7,105
Purchase consideration	–	18,817
Excluding: Cash and cash equivalents of subsidiary company acquired	–	(2,471)
Cash flow on acquisition (net of cash in subsidiary company acquired)	–	16,346

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

NOTES TO THE FINANCIAL STATEMENTS
– 30 APRIL 2014

1. CORPORATE INFORMATION

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies consist of the development and operation of restaurant chains and retail outlets in Malaysia and other South-East Asian countries and investment holding.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

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.

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 19 August 2014.

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 Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

At the beginning of the current financial year, the Group and the Company had adopted the MFRSs which are mandated for financial period beginning on or after 1 May 2013 as described 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 comprise the financial statements of the Group and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company.

Subsidiary companies are those investees controlled by the Group. The Group controls an investee if and only if the Group has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Group, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicates that the Group has, or does not have, the current ability to direct the relevant activities at the time that decision need to be made, including voting patterns at previous shareholders' meetings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(a) Subsidiaries and basis of consolidation (continued)

Subsidiary companies are consolidated using the acquisition 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.

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 reflected within equity as merger reserve or merger deficit in the case of debit differences.

Under the acquisition method of accounting, subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until that date such control ceases.

The cost of acquisition of a subsidiary company depends on whether it is a business combination, in accordance to the specifications in MFRS 3, or not. If it is not a business combination, the cost of acquisition consists of the consideration transferred ("CT"). The CT is the sum of fair values of the assets transferred by the Group, the liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree on the date of acquisition, the amount of any non-controlling interests in the acquiree and any contingent consideration. For an acquisition that is not a business combination, the acquisition-related costs can be capitalised as part of the cost of acquisition. If it is a business combination, the cost of acquisition (or specifically, the cost of business combination) consists of CT, and the amount of any non-controlling interests in the acquiree, the fair value of the Group's previously held equity interest in the acquiree and any contingent consideration. For an acquisition that is a business combination, the acquisition-related costs are recognised in profit or loss as incurred.

When control in a business is acquired in stages, the previously held equity interests in the acquiree are re-measured to fair value at the acquisition date with any corresponding gain or loss recognised in profit or loss.

Any excess of the cost of business combination, as the case may be, over the net amount of the fair value of identifiable assets acquired and liabilities assumed is recognised as goodwill. For business combinations, 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.

Any excess in the Group's interest in the net fair value of the identifiable assets acquired and liabilities assumed over the cost of business combination is recognised immediately in profit or loss.

The contingent consideration to be transferred by the acquirer will be recognised at fair value at the date of acquisition. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the date of acquisition) about the facts and circumstances that existed at the date of acquisition. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with MFRS 139 or MFRS 137: Provisions, Contingent Liabilities and Contingent Assets, as appropriate with the corresponding gain or loss being recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(a) Subsidiaries and basis of consolidation (continued)

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 assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Profit or loss and each component of other comprehensive income are attributed to the non-controlling interest, even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests represent the equity in subsidiary companies not attributable, direct or indirectly, to the Group which consist of the amount of those non-controlling interests at the date of original combination, and the non-controlling interests' share of changes in the equity since the date of the combination.

Non-controlling interests are presented separately in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent.

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 and the value of the equity instruments or the equity components of hybrid financial instruments will be recognised immediately in equity upon elimination.

When there is share buyback by a subsidiary company, the accretion of the Group's interest is recognised as a deemed acquisition of additional equity interest in the subsidiary company. Any differences between the consideration of the share buyback over the Group's revised interest in the net fair value of the identifiable assets acquired and liabilities assumed is recognised directly in equity attributable to owners of the parent.

Changes in the Group's ownership interest in a subsidiary company that do not result in the Group losing control over the subsidiary company are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary company, a gain or loss calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(ii) the previous carrying amount of the assets and liabilities of the subsidiary company and any non-controlling interest;

is recognised in profit or loss. The subsidiary company's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary company at the date control is lost is regarded as the cost on initial recognition of the investment.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(b) Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in joint venture is accounted for in the consolidated financial statements by the equity method of accounting based on the latest audited or management financial statements of the joint venture made up to the Group's financial year-end. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

On acquisition of an investment in joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets acquired and liabilities assumed of the investee is recognised as goodwill and included in the carrying amount of the investment and is not amortised.

Any excess of the Group's share of net fair value of the joint venture's identifiable assets acquired and liabilities assumed over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, on initial recognition the investment in a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the joint venture after the date of acquisition, less impairment losses. The Group's share of comprehensive income of joint venture acquired or disposed of during the financial year, is included in the consolidated profit or loss from the date that significant influence effectively commences or until the date that significant influence effectively ceases, as appropriate.

Unrealised gains and losses on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture.

When the Group's share of losses equals or exceeds its interest in an equity accounted joint venture, including any long term interest, that, in substance, form part of the Group's net investment in the joint venture, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payment on behalf of the joint venture.

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

(c) 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. Subsequent to recognition, when a property, plant and equipment are required to be replaced in intervals, the company recognizes such parts as individual assets with special useful lives. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

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

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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% – 33%
Computers	20% – 40%
Plant, machinery, kitchen equipment, furniture and fittings	10% – 33%
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. Any gains or losses on the derecognition of the asset are included in profit or loss in the year the asset is derecognised.

(d) Intangible assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets acquired and liabilities assumed. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Trademarks

The cost of trademarks acquired represents its fair value as at the date of acquisition. Following initial recognition, trademarks are carried at cost less any accumulated impairment losses. Trademarks, which are considered to have indefinite useful lives, are not amortised but tested for impairment, annually or more frequently when indicators of impairment are identified. The useful lives of trademarks are reviewed annually 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.

(iii) Licence fees

Licence fees are required to be paid in respect of opening of new "Starbucks" outlets in Brunei. The licence fees paid are capitalised and amortised over the period of the development agreement. The licence fees are amortised from the date when the respective outlet commences operations.

(e) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(f) Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Company become 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 their 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.

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 consider 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(g) Impairment of financial assets (continued)

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and sundry receivables, where the carrying amounts are 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.

(h) Impairment of non-financial assets

The carrying amounts of the Group's non-financial 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.

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 profit or loss 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, to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(i) 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 MFRS 139, are recognised in the statement of financial position when, and only when, the Group or 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 of the Group and the Company include trade and other payables and bank borrowings.

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 have 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.

(j) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) in the principal market for the asset or liability; or

(b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming the market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(j) Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation technique for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categories (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(k) 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 made at the lease inception date for the estimated costs of dismantling, removing or restoring the property, plant and equipment relating to operating leases with requirements to remove leasehold improvements at the end of the lease term.

(l) Cash and cash equivalents

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

(m) Equity instruments

Ordinary shares are classified as equity instruments. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(n) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(o) 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, a related company to the Group and BRoasters, a subsidiary company of the Group.

(iii) Dividend income

Dividend income from investments 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.

(v) Other income

Other than the above, all other income are recognised on accrual basis.

(p) 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)

(p) 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 the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

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.

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency ("RM") of the consolidated financial statements are translated into RM as follows:

– Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the reporting date;

– Income and expenses for each profit or loss and other comprehensive income are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

– All resulting exchange differences are recognised in other comprehensive income and accumulated in a separate component of equity under the header of exchange reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(p) Foreign currencies (continued)

(iii) Foreign operations (continued)

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

FOREIGN CURRENCY	CURRENCY CODE	2014 RM	2013 RM
Singapore Dollar	SGD	2.59	2.45
United States Dollar	USD	3.26	3.03
Indonesian Rupiah	IDR	0.000282	0.000312
Brunei Dollar	BND	2.60	Nil

(q) 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 pay 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"). The foreign subsidiary companies of the Group also make contributions to their countries' statutory pension schemes.

(iii) Defined benefit plan

A foreign subsidiary company within the Group operates an unfunded, defined Retirement Benefit Scheme ("Scheme") for its eligible employees. The obligation recognised in the consolidated statement of financial position under the Scheme is calculated by independent actuary using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

(i) The date of the plan amendment or curtailment, and

(ii) The date that the Group recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises service costs and net interest expense or income to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(q) Employee benefits (continued)

(iv) Employees' share option scheme

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 employees' 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 employees' share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employees' share option reserve relating to the exercised options 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. When the options are forfeited, the employees' share option reserve relating to the forfeited options is transferred to share premium.

(r) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(s) 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(t) Segmental information

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

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Revenue and expenses do not include items arising on investing or financing activities. Revenue is attributed to geographical segments based on location where the sales are transacted. Segment assets include all operating assets used by a segment and do not include items arising on investing or financing activities. Assets are allocated to a geographical segment based on location of assets. Segment liabilities comprise operating liabilities and do not include liabilities arising on investing or financing activities such as bank borrowings.

(u) 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.

(v) Government grants

Government grants are recognised at their fair values where there is reasonable assurance that the grant will be received and all conditions attached will be met. Government grants related to assets, measured at nominal value, shall be presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Grants that compensate the Group for expenses incurred are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grants that compensate the Group for the cost of an asset are recognised as income on a systematic basis over the useful life of the asset.

2.3 Changes in accounting policies

On 1 May 2013, the Group and the Company adopted the following new MFRSs, Amendments to MFRSs, Annual Improvements and Interpretations:

Effective for financial periods beginning on or after 1 July 2012

- Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies (continued)

Effective for financial periods beginning on or after 1 January 2013

- MFRS 10: Consolidated Financial Statements
- MFRS 11: Joint Arrangements
- MFRS 12: Disclosure of Interests in Other Entities
- MFRS 13: Fair Value Measurement
- MFRS 119: Employee Benefits
- MFRS 127: Separate Financial Statements
- MFRS 128: Investments in Associates and Joint Ventures
- Amendments to MFRS 1: Government Loans
- Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Liabilities
- Amendments to MFRS 10: Consolidated Financial Statements – Transition Guidance
- Amendments to MFRS 11: Joint Arrangement – Transition Guidance
- Amendments to MFRS 12: Disclosure of Interest In Other Entities – Transition Guidance
- IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine
- Annual Improvement 2009-2011 Cycle

Adoption of the above new MFRSs, Amendments to MFRSs, Annual Improvement and Interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

The Amendments to MFRS 101 introduce new terminology, whose use is not mandatory, for the income statement and statement of comprehensive income. Under the Amendments to MFRS 101, the separate 'income statement' is renamed as the 'statement of profit or loss' and the single statement of 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'. The Amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

Amendments to MFRS 101 also introduce the grouping of items presented in other comprehensive income. Items that will be reclassified (or recycled) to profit or loss at a future point in time (eg. net loss or gain on available-for-sale financial assets) have to be presented separately from items that will not be reclassified (eg. revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's financial position or performance.

MFRS 10: Consolidated Financial Statements

MFRS 10 replaces part of MFRS 127: Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112: Consolidation – Special Purpose Entities.

Under MFRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its investment with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under MFRS 127: Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

MFRS 10 includes detailed guidance to explain when an investor that owns less than 50 per cent of the voting shares in an investee has control over the investee. MFRS 10 requires the investor to take into account all relevant facts and circumstances, particularly the size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies (continued)

MFRS 11: Joint Arrangements

MFRS 11 replaces MFRS 131: Interests in Joint Ventures and IC Interpretation 113: Jointly-Controlled Entities – Non-monetary Contributions by Venturers.

The classification of joint arrangements under MFRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under MFRS 11, joint arrangements are classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

MFRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

MFRS 12: Disclosures of Interests in Other Entities

MFRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

MFRS 13: Fair Value Measurement

MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS. MFRS 13 defines fair value as an exit price. As a result of the guidance in MFRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. MFRS 13 also requires additional disclosures.

Application of MFRS 13 has not materially impacted the fair value measurement of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

The amendments to MFRS 101 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified ("recycled") to profit or loss at a future point in time (eg. net loss or gain on available-for-sale financial assets) have to be presented separately from items that will not be reclassified (eg. revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's financial position or performance.

MFRS 127: Separate Financial Statements

As a consequence of the new MFRS 10 and MFRS 12, MFRS 127 is limited to accounting for subsidiaries, joint venture and associates in separate financial statements.

MFRS 128: Investments in Associates and Joint Ventures

As a consequence of the new MFRS 11 and MFRS 12, MFRS 128 is renamed as MFRS 128: Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies (continued)

MFRS 119: Employee Benefits

The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and fair value of plan assets when they occur, and hence eliminate the "corridor approach" as permitted under the previous version of MFRS 119 and accelerate the recognition of past service cost. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

2.4 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following new MFRSs, Amendments to MFRSs, Annual Improvements and Interpretations were issued but not yet effective and have not been applied by the Group and the Company.

Effective for financial periods beginning on or after 1 January 2014

- Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities
- Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136: Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139: Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21: Levies

Effective for financial periods beginning on or after 1 July 2014:

- Amendments to MFRS 119: Employee Benefits (Defined Benefit Plans Employee Contributions)
- Annual Improvements to MFRSs 2010-2012 Cycle
- Annual Improvements to MFRSs 2011-2013 Cycle

Effective for financial periods beginning on or after 1 January 2016:

- Amendments to MFRS 11: Joint Arrangement – Accounting for Acquisition of Interests of Joint Operations
- MFRS 114: Regulatory Deferral Accounts
- Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Unless otherwise described below, the new MFRSs, Amendments to MFRSs, Annual Improvements and Interpretations above are expected to have no significant impact on the financial statements of the Group and of the Company upon their initial application except for the changes in presentation and disclosures of financial information arising from the adoption of all the above MFRSs, Amendments to MFRSs, Annual Improvements and Interpretations.

The Group is currently assessing the impact that these standards below will have on the financial position and performance.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Standards issued but not yet effective (continued)

MFRS 9: Financial Instruments

MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities.

Amendments to MFRS 136: Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets

Amendments to MFRS 136 remove the unintended consequences of MFRS 13 on the disclosures required under MFRS 136. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognised or reversed during the period.

Amendments to MFRS 139: Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting

Amendments to MFRS 139 provide relief from discounting hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The Group has not novated its derivative during the current period.

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.

(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 RM8,404,000 (2013: RM8,147,000).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements (continued)

(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) Impairment of 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 VIU 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 6.

(iii) Fair value of trademarks

The trademarks have been valued based on the Relief-from-royalty Method. These valuations require the Group to make estimates about royalties saving and discount rates, and hence they are subject to uncertainty. The fair value of the trademarks at 30 April 2014 is disclosed in Note 6.

(iv) 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 22.

(v) Retirement benefits

The determination of the Group's obligations and cost for pension and employee benefit liabilities is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turnover rate, disability rate, retirement age and mortality rate.

Actual results that differ from the Group's assumptions are recognised immediately in the profit or loss as and when they occurred. While the Group believes that its assumptions are reasonable and appropriate, significant differences in the Group's actual experiences or significant changes in the Group's assumptions may materially affect its estimated liabilities for pension and employees' benefits and net employee benefits expenses.

3. PROPERTY, PLANT AND EQUIPMENT

GROUP

	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	CAPITAL WORK-IN-PROGRESS RM'000	TOTAL RM'000
As at 30 April 2014						
At Net Carrying Amount						
At 1.5.13	4,875	888	11,937	12,536	–	30,236
Additions	2,885	695	4,409	7,687	1,272	16,948
Disposals	(8)	–	(48)	–	–	(56)
Depreciation charge for the year	(1,422)	(415)	(1,843)	(3,669)	–	(7,349)
Write off	(13)	(2)	(28)	(242)	–	(285)
Foreign currency translation	36	–	(342)	(289)	–	(595)
At 30.4.14	**6,353**	**1,166**	**14,085**	**16,023**	**1,272**	**38,899**
As at 30 April 2013						
At Net Carrying Amount						
At 1.5.12	3,611	849	10,281	10,594	–	25,335
Additions	1,457	375	3,689	5,654	–	11,175
Disposals	(3)	–	(2)	–	–	(5)
Depreciation charge for the year	(1,232)	(336)	(2,199)	(3,429)	–	(7,196)
Acquisition of subsidiary	1,063	–	319	–	–	1,382
Write off	(14)	–	(20)	(179)	–	(213)
Foreign currency translation	(7)	–	(131)	(104)	–	(242)
At 30.4.13	4,875	888	11,937	12,536	–	30,236
GROUP						
As at 30 April 2014						
Cost	**16,481**	**2,748**	**29,862**	**32,299**	**1,272**	**82,662**
Accumulated depreciation	**(10,128)**	**(1,582)**	**(15,777)**	**(16,276)**	**–**	**(43,763)**
Net carrying amount	**6,353**	**1,166**	**14,085**	**16,023**	**1,272**	**38,899**
As at 30 April 2013						
Cost	13,591	2,174	26,190	25,787	–	67,742
Accumulated depreciation	(8,716)	(1,286)	(14,253)	(13,251)	–	(37,506)
Net carrying amount	4,875	888	11,937	12,536	–	30,236

Included in property, plant and equipment of the Group are fully depreciated assets which are still in use costing about RM13,554,000 (2013: RM11,928,000).

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY

	COMPUTER RM'000	TOTAL RM'000
As at 30 April 2014		
At Net Carrying Amount		
At 1.5.13	2	2
Additions	3	3
Depreciation charge for the year	(3)	(3)
At 30.4.14	**2**	**2**
As at 30 April 2013		
At Net Carrying Amount		
At 1.5.12	4	4
Depreciation charge for the year	(2)	(2)
At 30.4.13	2	2
COMPANY		
As at 30 April 2014		
Cost	**8**	**8**
Accumulated depreciation	**(6)**	**(6)**
Net carrying amount	**2**	**2**
As at 30 April 2013		
Cost	5	5
Accumulated depreciation	(3)	(3)
Net carrying amount	2	2

The additions in property, plant and equipment were acquired by way of:

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Finance leases	**48**	–	**–**	–
Cash	**15,867**	10,542	**3**	–
Amount due to suppliers	**465**	–	**–**	–
Provision for restoration cost	**568**	633	**–**	–
	16,948	11,175	**3**	–

4. SUBSIDIARY COMPANIES

	COMPANY	
	2014 RM'000	2013 RM'000
Unquoted shares in Malaysia, at cost	**72,087**	72,087
ESOS granted to employees of subsidiary companies	**1,898**	692
	73,985	72,779

4. SUBSIDIARY COMPANIES (CONTINUED)

The Group's effective equity interest in the subsidiary companies, their respective activities and countries of incorporation are shown below:

NAME	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	% OF OWNERSHIP INTEREST HELD BY THE GROUP^ 2014	% OF OWNERSHIP INTEREST HELD BY THE GROUP^ 2013	% OF OWNERSHIP INTEREST HELD BY NON-CONTROLLING INTERESTS^ 2014	% OF OWNERSHIP INTEREST HELD BY NON-CONTROLLING INTERESTS^ 2013
Held by the Company:						
Berjaya Roasters (M) Sdn Bhd	Malaysia	Development and operation of the "Kenny Rogers Roasters" chain of restaurants in Malaysia	**100**	100	**–**	–
Berjaya Food (International) Sdn Bhd	Malaysia	Investment holding	**100**	100	**–**	–
Berjaya Jollibean (M) Sdn Bhd	Malaysia	Operation of food and beverage retail outlets	**–**	100	**–**	–
Berjaya Food Management Services Sdn Bhd	Malaysia	Provision of management services relating to the operation of Starbucks cafes	**100**	–	**–**	–
Subsidiaries of Berjaya Food (International) Sdn Bhd:						
PT Boga Lestari Sentosa*	Indonesia	Development and operation of the "Kenny Rogers Roasters" chain of restaurants in Java island, Bali and Medan, Indonesia	**51**	51	**49**	49
Jollibean Foods Pte Ltd*	Singapore	Operation of retail outlets and food caterer in Singapore	**100**	100	**–**	–
Berjaya Food Supreme Sdn Bhd#	Brunei	Development and operation of the "Starbucks Coffee" chain of cafes and retail stores in Brunei	**80**	–	**20**	–
Subsidiary of Jollibean Foods Pte Ltd:						
Berjaya Jollibean (M) Sdn Bhd	Malaysia	Operation of food and beverage retail outlets	**100**	–	**–**	–

^ equals to the proportion of voting rights held.
# audited by other member firm of Ernst & Young Global.
* audited by other firms of chartered accountants.

4. SUBSIDIARY COMPANIES (CONTINUED)

Certain comparative figures have not been presented for 30 April 2013 by virtue of the exemption given in Appendix C Paragraph C2A of MFRS 12, which is effective for annual periods beginning on and after 1 January 2013.

Summarised financial information of the subsidiary companies which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is that of the amount before inter-company elimination.

Summarised statements of financial position

AS AT 30 APRIL 2014	PT BOGA LESTARI SENTOSA RM'000	BERJAYA FOOD SUPREME SDN BHD^ RM'000	TOTAL RM'000
Non-current assets	7,959	1,439	9,398
Current assets	7,931	4,530	12,461
Total assets	15,890	5,969	21,859
Non-current liabilities	573	192	765
Current liabilities	18,328	1,602	19,930
Total liabilities	18,901	1,794	20,695
Net (liabilities)/assets	(3,011)	4,175	1,164
Equity attributable to the owners of the Company	(1,535)	3,340	1,805
Non-controlling interests	(1,476)	835	(641)
	(3,011)	4,175	1,164

Summarised statements of profit or loss and other comprehensive income

FOR THE YEAR ENDED 30 APRIL 2014	PT BOGA LESTARI SENTOSA RM'000	BERJAYA FOOD SUPREME SDN BHD^ RM'000	TOTAL RM'000
Revenue	13,411	1,665	15,076
Profit attributable to the:			
– Owners of the Company	(2,717)	224	(2,493)
– Non-controlling interests	(2,612)	56	(2,556)
Profit for the year/period	(5,329)	280	(5,049)
Other comprehensive income attributable to:			
– Owners of the Company	56	56	112
– Non-controlling interests	54	14	68
Other comprehensive income for the year/period	110	70	180
Total comprehensive income for the year/period	(5,219)	350	(4,869)
Total comprehensive income attributable to:			
– Owners of the Company	(2,661)	280	(2,381)
– Non-controlling interests	(2,558)	70	(2,488)
Total comprehensive income for the year/period	(5,219)	350	(4,869)

4. SUBSIDIARY COMPANIES (CONTINUED)

Summarised statements of cash flows

FOR THE YEAR ENDED 30 APRIL 2014	PT BOGA LESTARI SENTOSA RM'000	BERJAYA FOOD SUPREME SDN BHD^ RM'000	TOTAL RM'000
Net cash (used in)/generated from operating activities	(1,575)	813	(762)
Net cash used in investing activities	(5,031)	(775)	(5,806)
Net cash generated from financing activities	6,988	3,825	10,813
Net change in cash and cash equivalent	382	3,863	4,245
Effect of exchange rate changes	302	65	367
Cash and cash equivalents at beginning of the year/period	353	–	353
Cash and cash equivalents at end of the year/period	1,037	3,928	4,965

^ Berjaya Food Supreme Sdn Bhd was incorporated on 24 September 2013 and therefore the statement of financial position, statement of profit or loss and other comprehensive income and the statement of cash flows is for the period from 24 September 2013 to 30 April 2014.

The incorporation of subsidiary company during the financial year which do not have any material effect on the financial position of the Group and of the Company is not disclosed.

Acquisition of subsidiary company in previous financial year

The Company had on 7 December 2012, completed the acquisition of 100% equity interests in Jollibean Foods Pte Ltd ("Jollibean"), via its subsidiary company, Berjaya Food (International) Sdn Bhd.

The cost of acquisition comprised the following:

2013 GROUP	RM'000
Purchase consideration satisfied by cash	18,817

The acquired subsidiary company, which qualified as a business combination, contributed the following results from its date of acquisition to the Group:

2013 GROUP	RM'000
Revenue	15,317
Profit	1,405

The fair values of the identifiable assets and liabilities of Jollibean as at the date of acquisition were as follows:

2013 GROUP	FAIR VALUE RM'000
Non-current assets excluding trademarks	1,394
Trademarks (Note 6)	7,646
Current assets	6,929
	15,969
Non-current liabilities	409
Current liabilities	3,848
	4,257
Fair value of net assets, representing Group's share of net assets	11,712
Goodwill on acquisition (Note 6)	7,105
Total cost of acquisition	18,817

4. SUBSIDIARY COMPANIES (CONTINUED)

The net cash flows on acquisition were as follows:

2013 GROUP	RM'000
Purchase consideration satisfied by cash	(18,817)
Cash and cash equivalent of subsidiary company acquired	2,471
Net cash outflow on acquisition of a subsidiary company	(16,346)

Acquition of subsidiary companies subsequent to financial year end

The incorporation and acquisition of subsidiary companies subsequent to financial year end are disclosed in Note 35.

5. JOINT VENTURE

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cost of investment	**71,913**	71,913	**71,913**	71,913
Share of post-acquisition reserves	**22,537**	8,048	**–**	–
	94,450	79,961	**71,913**	71,913

Details of the joint venture are as follows:

NAME OF JOINT VENTURE	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	% OF OWNERSHIP INTEREST HELD BY THE GROUP^ 2014	 2013
Held by the Company:				
Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks")	Malaysia	Development and operation of the "Starbucks Coffee" chain of cafes and retail outlets in Malaysia	**50**	50

^ equals to the proportion of voting rights held

Certain comparative figures have not been presented for 30 April 2013 by virtue of the exemption given in Appendix C Paragraph C2A of MFRS 12, which is effective for annual periods beginning on and after 1 January 2013.

Summarised financial information of BStarbucks is set out below. The summarised information represents the amounts in the MFRS financial statements of the joint venture and not the Group's share of those amounts.

5. JOINT VENTURE (CONTINUED)

Summarised statement of financial position

AS AT 30 APRIL 2014	BSTARBUCKS RM'000
Non-current assets	**101,338**
Current assets (excluding cash and cash equivalents)	**29,606**
Cash and cash equivalents	**56,984**
Total current assets	**86,590**
Total assets	**187,928**
Current liabilities (excluding trade and other payables and provision)	**28,678**
Trade and other payables and provisions	**40,096**
Total current liabilities	**68,774**
Non-current liabilities (excluding provision)	**–**
Provision	**9,174**
Total non-current liabilities	**9,174**
Total liabilities	**77,948**
Net assets	**109,980**

Summarised statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 30 APRIL 2014	BSTARBUCKS RM'000
Revenue	**301,356**
Depreciation and amortisation	**13,525**
Interest income	**626**
Interest expenses	**2**
Profit before tax	**49,975**
Income tax expenses	**14,997**
Profit after tax, representing total comprehensive income	**34,978**

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in joint venture

	BSTARBUCKS RM'000
Net assets as at 1 May 2013	81,002
Profit for the year, representing total comprehensive income	34,978
Less: Dividend	(6,000)
Net assets as at 30 April 2014	109,980
Interest in joint venture	50%
Group's share of net assets	54,990
Goodwill	39,460
Carrying value of Group's interest in joint venture	94,450

During the current financial year, dividend received from the joint venture was RM3,000,000.

6. INTANGIBLE ASSETS

GROUP

	GOODWILL RM'000	TRADE-MARKS RM'000	LICENCE FEES RM'000	TOTAL RM'000
2014				
Net carrying amount				
At beginning of year	**8,362**	**7,646**	**–**	**16,008**
Addition	**–**	**–**	**80**	**80**
At end of year	**8,362**	**7,646**	**80**	**16,088**

	GOODWILL RM'000	TRADE-MARKS RM'000	TOTAL RM'000
2013			
Net carrying amount			
At beginning of year	1,340	–	1,340
Acquisition of subsidiary company (Note 4)	7,105	7,646	14,751
Impairment loss	(83)	–	(83)
At end of year	8,362	7,646	16,008

GROUP

	COST RM'000	ACCUMULATED IMPAIRMENT LOSSES RM'000	TOTAL RM'000
As at 30 April 2014			
Goodwill	**8,445**	**(83)**	**8,362**
Trademarks	**7,646**	**–**	**7,646**
Licence fees	**80**	**–**	**80**
	16,171	**(83)**	**16,088**
As at 30 April 2013			
Goodwill	8,445	(83)	8,362
Trademarks	7,646	–	7,646
	16,091	(83)	16,008

(a) There were no acquisitions subsequent to 30 April 2014.

(b) In the previous financial year, the Group carried out a review of the recoverable amount of goodwill and an impairment loss of RM83,000 was recognised in the profit or loss.

6. INTANGIBLE ASSETS (CONTINUED)

(c) 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 five-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 pre-tax discount rate, applied to pre-tax cash flows, used for identified CGUs are in the range of 12.05%-14.66% (2013: 13.5%-15.32%).

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.

(d) Impairment testing on trademarks

Key assumptions used in VIU calculation

The recoverable amount of a CGU is determined based on the VIU calculation using cash flow projection for the estimated savings on royalties based on financial budgets covering a five-year period. The key assumptions used for VIU calculations are:

(i) Estimated royalty rate

The estimated royalty rate is determined by referring to other royalty rates in similar businesses.

(ii) Discount rate

The discount rate used reflects specific risks relating to the Group. The significant pre-tax discount rate, applied to pre-tax cash flows, used for identified CGU is 14.01% (2013:15.32%).

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.

7. INVENTORIES

	GROUP	
	2014 RM'000	**2013 RM'000**
At cost:		
Food and beverages	**3,730**	3,317
Paper and packaging	**146**	167
Spares and other supplies	**375**	383
	4,251	3,867

The cost of inventories recognised as an expense during the financial year in the Group amounted to RM40,529,000 (2013: RM37,105,000).

8. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade receivables	**765**	702	**–**	–
Other receivables				
Deposits	**11,743**	9,834	**–**	–
Sundry receivables	**1,866**	766	**8**	–
Amount owing by:				
– related companies	**8**	32	**–**	–
– subsidiary companies	**–**	–	**42,962**	29,519
– holding company	**–**	–	**–**	9
– joint venture	**100**	–	**100**	–
	13,717	10,632	**43,070**	29,528
Other current assets				
Prepayments	**4,798**	4,338	**53**	197
Deposits	**140**	–	**–**	–
Indirect tax recoverable	**–**	1,904	**–**	–
	4,938	6,242	**53**	197
Total trade and other receivables	**19,420**	17,576	**43,123**	29,725

The trade receivables are in respect of customers using credit card transactions and are aged within 6 (2013: 6) days. The Group's trade receivables are neither past due nor impaired.

The sundry receivables are non-interest bearing and generally on 30 (2013: 30) days terms.

The amounts owing by related companies and joint venture are unsecured, non-interest bearing and repayable on demand. The amounts owing by subsidiary companies are unsecured and repayable on demand, of which RM42,862,000 (2013: RM29,514,000) is interest bearing.

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

9. DEPOSITS WITH FINANCIAL INSTITUTIONS

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deposits with:				
Licensed bank	**1,481**	347	**1,481**	347
Other financial institution	**418**	395	**–**	–
	1,899	742	**1,481**	347

The interest rates per annum and maturities of deposits as at reporting date were as follows:

	GROUP		COMPANY	
	2014	2013	2014	2013
Interest rates per annum (%)				
Licensed bank	**3.00**	3.00	**3.00**	3.00
Other financial institution	**0.15**	0.15	**–**	–
Maturities (days)				
Licensed bank	**12 – 23**	30	**12 – 23**	30
Other financial institution	**43 – 155**	105	**–**	–

Included in the Group and Company are deposits pledged for secured short term loan amounting to RM475,000 (2013: RM Nil).

10. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash and bank balances	**17,708**	18,325	**1,340**	476
Cash funds	**32**	167	**–**	–
	17,740	18,492	**1,340**	476

Cash at banks earn interest at floating rates based on daily bank deposit rates. The range of interest rates as at reporting date was 1.35% – 2.15% (2013: 1.35% - 2.15%) per annum.

11. SHARE CAPITAL

	GROUP AND COMPANY			
	NUMBER OF SHARES		SHARE CAPITAL	
	2014 '000	2013 '000	2014 RM'000	2013 RM'000
Ordinary shares of RM0.50 each				
Authorised:				
At beginning/end of year	**1,200,000**	1,200,000	**600,000**	600,000
Issued and fully paid:				
At beginning of year	**261,044**	143,476	**130,522**	71,738
Rights issue during the year	**–**	115,082	**–**	57,541
Employees' share options exercised	**1,122**	704	**561**	352
Warrants exercised	**6,946**	1,782	**3,473**	891
At end of year	**269,112**	261,044	**134,556**	130,522

11. SHARE CAPITAL (CONTINUED)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All the ordinary shares rank equally with regard to the Company's residual assets.

12. RESERVES

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Share premium	**4,974**	1,633	**4,974**	1,633
Merger deficit (Note a)	**(55,087)**	(55,087)	**–**	–
ESOS reserve (Note b)	**1,295**	527	**1,295**	527
Warrant reserve (Note c)	**20,207**	21,527	**20,207**	21,527
Exchange reserves	**122**	(307)	**–**	–
	(28,489)	(31,707)	**26,476**	23,687
Retained earnings (Note d)	**56,720**	43,933	**8,944**	8,115
	28,231	12,226	**35,420**	31,802

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) ESOS reserve

The ESOS reserve represents the equity-settled share options granted to certain employees of the Group. The ESOS reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the share options and is reduced by the expiry, forfeiture or exercise of the share options.

(c) Warrant reserve

On 9 August 2012, 115,081,760 5-year Warrants 2012/2017 ("Warrants") were issued by the Company to the subscribers of the rights issue of the Company's ordinary shares. The Warrants are constituted by a deed poll dated 2 July 2012. The Warrants were listed on Bursa Malaysia on 13 August 2012.

Warrants Movement

	GROUP AND COMPANY	
	2014 UNIT'000	2013 UNIT'000
At beginning of year	**113,300**	–
Issued during the year	**–**	115,082
Exercised during the year	**(6,946)**	(1,782)
At end of year	**106,354**	113,300

12. RESERVES (CONTINUED)

(c) Warrant reserve (continued)

The main features of the Warrants are as follows:

- Each Warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share of RM0.50 each in the Company at an exercise price of RM0.70 per ordinary share.
- The exercise price and the number of Warrants are subject to adjustment in the event of alteration to the share capital, bonus issue, capital distribution and rights issue by the Company in accordance with the conditions provided in the deed poll.
- The Warrants shall be exercisable at any time within the period commencing on and including the date of issue on 9 August 2012 of the Warrants and ending on the date preceding the fifth anniversary of the date of issue of the Warrants.
- Upon exercise of the Warrants into new ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of the Company in issue at the time of exercise except that they shall not be entitled to any dividend or other distributions declared in respect of a financial period prior to the financial period in which the Warrants are exercised or any interim dividend declared prior to the date of exercise of the Warrants.
- At the expiry of the exercise period, any Warrants which have not been exercised will lapse and cease to be valid for any purposes.

(d) Retained earnings

The Company may distribute dividend out of its entire retained earnings as at 30 April 2014 under the single-tier system without incurring additional tax liability.

13. OTHER LONG TERM LIABILITY

	GROUP	
	2014 RM'000	2013 RM'000
Secured:		
Hire purchase payable (Note a)	48	–
Portion repayable within 12 months (Note 16)	(10)	–
	38	–

The Group's hire purchase payable bore effective interest rate of 2.81% (2013: Nil) per annum.

(a) The commitment terms under hire purchase payable are summarised as follows:

	GROUP	
	2014 RM'000	2013 RM'000
Gross amount payable:		
Within one year after reporting date	13	–
More than one year but not later than two years	13	–
More than two years but not later than five years	31	–
	57	–
Less: Unexpired interest	(9)	–
	48	–

13. OTHER LONG TERM LIABILITY (CONTINUED)

(a) The commitment terms under hire purchase and leasing payables are summarised as follows (continued):

The present value of hire purchase payable are summarised as follows:

	GROUP	
	2014 RM'000	**2013 RM'000**
Within one year after reporting date	**10**	–
More than one year but not later than two years	**10**	–
More than two years but not later than five years	**28**	–
	48	–

14. DEFERRED TAX

	GROUP		COMPANY	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
At beginning of the year	**2,204**	1,904	**1**	–
Recognised in profit or loss (Note 22)	**(169)**	162	**–**	1
Arising on acquisition of subsidiary company	**–**	129	**–**	–
Exchange differences	**18**	9	**–**	–
At end of the year	**2,053**	2,204	**1**	1

Presented after appropriate offsetting as follows:

	GROUP		COMPANY	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Deferred tax assets	**(93)**	(183)	**–**	–
Deferred tax liabilities	**2,146**	2,387	**1**	1
	2,053	2,204	**1**	1

14. DEFERRED TAX (CONTINUED)

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

GROUP

	UNUSED TAX LOSSES AND UNABSORBED CAPITAL ALLOWANCES RM'000	PROPERTY, PLANT AND EQUIPMENT RM'000	RETIREMENT BENEFITS AND OTHERS RM'000	TOTAL RM'000
Deferred Tax Assets				
At 1 May 2013	**–**	**(78)**	**(183)**	**(261)**
Recognised in profit or loss	**–**	**(80)**	**79**	**(1)**
Exchange differences	**–**	**–**	**11**	**11**
At 30 April 2014	**–**	**(158)**	**(93)**	**(251)**
Set-off against deferred tax liabilities				**158**
				(93)
At 1 May 2012	(1)	(78)	(108)	(187)
Recognised in profit or loss	1	–	(72)	(71)
Arising on acquisition of subsidiary	–	–	(12)	(12)
Exchange differences	–	–	9	9
At 30 April 2013	–	(78)	(183)	(261)
Set-off against deferred tax liabilities				78
				(183)

	PROPERTY, PLANT AND EQUIPMENT RM'000	TOTAL RM'000
Deferred Tax Liabilities		
At 1 May 2013	**2,465**	**2,465**
Recognised in profit or loss	**(168)**	**(168)**
Exchange differences	**7**	**7**
At 30 April 2014	**2,304**	**2,304**
Set-off against deferred tax assets		**(158)**
		2,146
At 1 May 2012	2,091	2,091
Recognised in profit or loss	233	233
Arising on acquisition of subsidiary	141	141
At 30 April 2013	2,465	2,465
Set-off against deferred tax assets		(78)
		2,387

14. DEFERRED TAX (CONTINUED)

COMPANY

	UNUSED TAX LOSSES AND UNABSORBED CAPITAL ALLOWANCES RM'000	TOTAL RM'000
Deferred Tax Assets		
At 1 May 2013	–	–
Recognised in profit or loss	–	–
At 30 April 2014	–	–
Set-off against deferred tax liabilities		–
		–
At 1 May 2012	(1)	(1)
Recognised in profit or loss	1	1
At 30 April 2013	–	–
Set-off against deferred tax liabilities		–
		–

	PROPERTY, PLANT AND EQUIPMENT RM'000	TOTAL RM'000
Deferred Tax Liabilities		
At 1 May 2013	1	1
Recognised in profit or loss	–	–
At 30 April 2014	1	1
Set-off against deferred tax assets		–
		1
At 1 May 2012	1	1
Recognised in profit or loss	–	–
At 30 April 2013	1	1
Set-off against deferred tax assets		–
		1

Deferred tax assets have not been recognised in respect of the following items:

	GROUP	
	2014 RM'000	2013 RM'000
Unused tax losses	**10,915**	6,247
Unabsorbed capital allowance	**52**	–

The availability of the foreign unused tax losses is subject to the tax legislation of its country.

14. DEFERRED TAX (CONTINUED)

Deferred tax asset has not been recognised in respect of the unabsorbed capital allowance as it is not probable that future taxable profits from a business source as defined by the Malaysian tax legislation will be available against which the unabsorbed capital allowance can be utilised.

15. PROVISIONS

GROUP

	RESTORATION COSTS RM'000	RETIREMENT BENEFITS RM'000	TOTAL RM'000
At 30 April 2014			
At beginning of year	**2,847**	**685**	**3,532**
Provision/(reversal) for the year	**568**	**(315)**	**253**
Utilisation of provision	**(87)**	**–**	**(87)**
Actuarial gain	**–**	**(52)**	**(52)**
Foreign currency translation	**(1)**	**(50)**	**(51)**
At end of year	**3,327**	**268**	**3,595**
At 30 April 2014			
Current	**628**	**–**	**628**
Non-current	**2,699**	**268**	**2,967**
	3,327	**268**	**3,595**
At 30 April 2013			
At beginning of year	2,070	371	2,441
Provision for the year	633	345	978
Utilisation of provision	(116)	–	(116)
Acquisition of subsidiary company	268	–	268
Foreign currency translation	(8)	(31)	(39)
At end of year	2,847	685	3,532
At 30 April 2013			
Current	848	–	848
Non-current	1,999	685	2,684
	2,847	685	3,532

Notes:

(a) Restoration costs

Provision for restoration costs is made based on the estimated cost of restoring the rented premises, arising from the use of such premises and in accordance to the stipulations in the tenancy agreements. The estimated costs of such restoration are included in the cost of property, plant and equipment.

The estimated restoration costs are reviewed and updated annually based on the latest cost of restoring a premise.

Provision for restoration costs is classified as current liabilities unless the tenancy agreement, for which the restoration is required, expire at least 12 months after the reporting date.

15. PROVISIONS (CONTINUED)

(b) Retirement benefits

A foreign subsidiary company maintains an unfunded retirement benefit plan where the estimated liabilities of employee benefit is determined based on actuary valuation by an independent actuary using the projected unit credit method.

The amount of unfunded defined benefit obligation recognised in the consolidated statement of financial position is the present value of obligation.

The amount recognised in the profit or loss is as follows:

	GROUP	
	2014 RM'000	2013 RM'000
Current service cost	**75**	393
Interest cost	**55**	33
Net actuarial gain	**4**	14
Curtailment effect	**–**	(95)
Actuarial adjustment	**(449)**	–
	(315)	345

The following principal assumptions were used to determine the unfunded defined benefit obligations:

	GROUP	
	2014	2013
Discount rate	**8.7%**	6.5%
Rate of average salary increase	**12.0%**	12.0%

An increase or decrease of 1% in discount rate at the reporting date would result in the defined benefit obligations to be lower by about 18% or higher by about 23%, respectively.

16. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade payables	**5,277**	6,069	**–**	–
Other payables	**770**	401	**–**	–
Accruals	**10,163**	7,790	**177**	125
Amount owing to:				
– related companies	**803**	115	**3**	15
– subsidiary company	**–**	–	**15,559**	12,538
– holding company	**5**	–	**5**	–
– ultimate holding company	**–**	75	**–**	75
– joint venture	**–**	120	**–**	120
Hire purchase payable (Note 13)				
– Portion repayable within 12 months	**10**	–	**–**	–
	17,028	14,570	**15,744**	12,873

16. TRADE AND OTHER PAYABLES (CONTINUED)

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 - 45 days (2013: 30 - 45 days) terms.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on 30 - 45 days (2013: 30 - 45 days) terms.

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

The amount owing to a subsidiary company is unsecured, interest-bearing and repayable on demand.

In the previous financial year, the amount owing to the ultimate holding company and joint venture were unsecured, non interest-bearing and repayable on demand.

17. SHORT TERM BORROWINGS

	GROUP AND COMPANY	
	2014 RM'000	2013 RM'000
Secured:		
Short term loan	**4,431**	–
Unsecured:		
Revolving credit	**1,500**	–
	5,931	–

The secured short term loan is secured by corporate guarantee from subsidiary company and a fixed deposit amount of RM475,000.

The range of interest rates per annum, at the reporting date for borrowings was as follows:

	GROUP AND COMPANY	
	2014 %	2013 %
Secured:		
Short term loan	**4.75 – 4.80**	–
Unsecured:		
Revolving credit	**4.74 – 4.88**	–

18. REVENUE

Revenue consists of the following:

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Sale of food and beverages	**148,194**	121,915	**–**	–
Dividend income from				
– subsidiary company	**–**	–	**8,500**	15,572
– joint venture	**–**	–	**3,000**	1,247
Management fee income	**2,175**	–	**–**	–
	150,369	121,915	**11,500**	16,819

19. FINANCE COST

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Interest expenses on:				
– Bank borrowings	**153**	–	**153**	–
– Amounts due to subsidiary company	**–**	–	**1,021**	505
	153	–	**1,174**	505

20. PROFIT BEFORE TAX

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit before tax is arrived at after charging:				
Directors' remuneration (Note 21)				
– emoluments (excluding benefits-in-kind)	**2,101**	962	**259**	90
– fees	**72**	60	**72**	60
Auditors' remuneration				
– statutory audit fee	**121**	106	**25**	25
– under provision in prior years	**–**	1	**–**	5
– fees for non audit services	**16**	6	**16**	6
Depreciation of property, plant and equipment	**7,349**	7,196	**3**	2
Property, plant and equipment written off	**285**	213	**–**	–
Impairment loss on goodwill	**–**	83	**–**	–
Rental expenses				
– related companies	**102**	126	**–**	–
– third parties	**31,373**	26,153	**–**	–
Royalty expense payable to a related company	**624**	682	**–**	–
Staff costs (Note a)	**43,703**	30,948	**116**	27
Loss on foreign exchange				
– realised	**4**	17	**–**	–
– unrealised	**682**	600	**–**	–
and crediting:				
Gain on sale of property, plant and equipment	**22**	82	**–**	–
Royalty fee income	**336**	495	**–**	–
Affiliation fee income from joint venture	**600**	–	**600**	–
Government grant	**–**	107	**–**	–
Interest income:				
– subsidiary company	**–**	–	**2,436**	629
– financial institutions	**84**	382	**19**	19
Service charge income	**8,404**	8,147	**–**	–

20. PROFIT BEFORE TAX (CONTINUED)

(a) Staff costs consist of the following:

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Wages, salaries and allowances	**35,074**	25,053	**91**	24
Social security costs and employees insurance	**339**	387	**–**	–
Bonuses	**1,674**	1,658	**8**	–
Pension costs				
– defined contribution plans	**3,539**	2,659	**12**	3
– defined benefit plan	**(315)**	345	**–**	–
Provision for short term compensated absences	**14**	(14)	**5**	–
Share-based payments (Note b)	**1,206**	147	–	–
Other staff related expenses	**2,172**	713	**–**	–
	43,703	30,948	**116**	27

Staff costs exclude remuneration of executive directors.

(b) Share-based payments under ESOS consist of the following:

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Share-based payments for:				
– employees of the Group	**1,206**	147	**–**	–
– directors of the Company	**193**	78	**193**	78
	1,399	225	**193**	78

21. DIRECTORS' REMUNERATION

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

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Directors of the Company				
Executive				
Salaries and other emoluments	**726**	360	**251**	81
Bonus	**102**	102	**–**	–
	828	462	**251**	81
Non-executive				
Fees	**72**	60	**72**	60
Other emoluments	**8**	9	**8**	9
	80	69	**80**	69
	908	531	**331**	150
Other directors of the Group				
Salaries and other emoluments	**1,265**	491	**–**	–
Total directors' remuneration	**2,173**	1,022	**331**	150

22. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current income tax:				
– Malaysian income tax	**4,606**	4,584	**612**	291
– Foreign tax	**177**	79	**–**	–
	4,783	4,663	**612**	291
(Over)/under provision in prior years				
– Malaysian income tax	**(141)**	(713)	**6**	–
– Foreign tax	**(13)**	–	**–**	–
	(154)	(713)	**6**	–
	4,629	3,950	**618**	291
Deferred tax:				
Relating to origination and reversal of temporary differences	**385**	(4)	**–**	1
(Over)/under provision in prior years	**(554)**	166	**–**	–
	(169)	162	**–**	1
Income tax expense	**4,460**	4,112	**618**	292

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 24% from the current year's tax rate of 25%, effective year of assessment 2016. The computation of deferred tax as at 30 April 2014 did not reflect this change as the effect is not material. Taxation for other jurisdictions is calculated at the rate prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to profit 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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit before tax	**24,573**	21,395	**11,356**	15,558
Applicable tax rate (%)	**25**	25	**25**	25
Taxation at applicable tax rate	**6,143**	5,349	**2,839**	3,890
Income not subject to tax	**(220)**	(139)	**(2,875)**	(3,958)
Expenses not deductible under tax legislation	**3,837**	1,969	**648**	360
Effect of different tax rate in other country	**(169)**	(119)	**–**	–
Effect of other tax incentives	**(76)**	(139)	**–**	–
Effect of share of result of joint venture	**(4,372)**	(2,262)	**–**	–
Deferred tax assets not recognised during the financial year	**25**	–	**–**	–
(Over)/under provision of income tax in prior years	**(154)**	(713)	**6**	–
(Over)/under provision of deferred tax in prior years	**(554)**	166	**–**	–
Income tax expense	**4,460**	4,112	**618**	292

23. 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	
	2014 RM'000	2013 RM'000
Profit attributable to equity holders	**22,669**	18,628
Weighted average number of ordinary shares in issue ('000)	**264,318**	228,098
Basic earnings per share (sen)	**8.58**	8.17

(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	
	2014 RM'000	2013 RM'000
Profit attributable to equity holders	**22,669**	18,628
Weighted average number of ordinary shares in issue ('000)	**264,318**	228,098
Assumed shares issued from the		
– exercise of employees' share options ('000)	**2,184**	2,578
– exercise of warrants ('000)	**56,722**	54,552
Adjusted weighted average number of ordinary shares ('000)	**323,224**	285,228
Diluted earnings per share (sen)	**7.01**	6.53

24. DIVIDENDS

	COMPANY			
	2014 NET DIVIDEND PER SHARE SEN	2014 NET DIVIDEND RM'000	2013 NET DIVIDEND PER SHARE SEN	2013 NET DIVIDEND RM'000
Recognised during the year				
– 2nd interim dividend of 4% single-tier exempt dividend approved in respect of financial year ended 30 April 2013 (2013: 5% single-tier exempt dividend in respect of financial year ended 30 April 2012)	**2.00**	**5,254**	2.50	3,589
– First interim dividend of 3.5% single-tier exempt dividend approved in respect of financial year ended 30 April 2014 (2013: 3% single-tier exempt dividend in respect of financial year ended 30 April 2013)	**1.75**	**4,655**	1.50	3,907
	3.75	**9,909**	4.00	7,496

24. DIVIDENDS (CONTINUED)

On 26 June 2014, the Company approved and declared a second interim single-tier exempt dividend of 2.5 sen per share in respect of the financial year ended 30 April 2014 amounting to about RM6,996,000. The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 30 April 2015.

25. SEGMENTAL INFORMATION

The Group operates predominantly in one business segment in Malaysia and outside Malaysia. The primary format, geographical segments, is based on the Group's management and internal reporting structure.

Unallocated assets include items relating to investing and financing activities and items that cannot be reasonably allocated to individual segments.

	2014 RM'000	2013 RM'000
Results		
Malaysia	**10,737**	14,794
Indonesia	**(4,556)**	(2,818)
Singapore	**2,080**	1,484
Brunei	**288**	–
	8,549	13,460
Unallocated corporate expenses	**(1,418)**	(1,411)
	7,131	12,049
Other income – investing activities	**106**	381
Other expenses – investing activities	**–**	(83)
	7,237	12,347
Finance cost	**(153)**	–
Share of results of joint venture	**17,489**	9,048
Profit before tax	**24,573**	21,395
Taxation	**(4,460)**	(4,112)
Profit for the year	**20,113**	17,283

	REVENUE RM'000	CAPITAL EXPENDITURE RM'000	ASSETS RM'000	LIABILITIES RM'000
2014				
Malaysia	**98,257**	**9,900**	**49,739**	**12,864**
Indonesia	**13,411**	**4,420**	**15,810**	**3,823**
Singapore	**37,036**	**1,266**	**10,771**	**3,351**
Brunei	**1,665**	**1,362**	**5,889**	**909**
	150,369	**16,948**	**82,209**	**20,947**
Unallocated items	**–**	**–**	**110,631**	**9,747**
Total	**150,369**	**16,948**	**192,840**	**30,694**

25. SEGMENTAL INFORMATION (CONTINUED)

	REVENUE RM'000	CAPITAL EXPENDITURE RM'000	ASSETS RM'000	LIABILITIES RM'000
2013				
Malaysia	95,716	6,872	49,657	12,345
Indonesia	10,882	3,919	12,365	2,967
Singapore	15,317	384	8,891	2,983
	121,915	11,175	70,913	18,295
Unallocated items	–	–	96,152	4,940
Total	121,915	11,175	167,065	23,235

26. 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.

The grant date of the first offer and second offer of ESOS was on 8 March 2011 and 5 August 2013, respectively.

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:

	COMPANY		
	1ST OFFER NO.	2ND OFFER NO.	TOTAL NO.
Outstanding at beginning of year	4,141,600	–	4,141,600
– Granted	387,800	4,620,000	5,007,800
– Forfeited	(131,720)	(3,572,000)	(3,703,720)
– Exercised	(1,121,840)	–	(1,121,840)
Outstanding at end of year	3,275,840	1,048,000	4,323,840
Exercisable at end of year	1,878,980	419,200	2,298,180

– The weighted average share price at the date of exercise of the options exercised during the financial year was RM1.54.

– The exercise prices for options outstanding at the end of the year were RM0.50 and RM1.62 per share for first offer and second offer, respectively. The remaining contractual life for these options is 1.85 years.

26. EMPLOYEES' SHARE OPTION SCHEME (CONTINUED)

Fair value of share options granted

The fair value of the first option granted at the grant date was estimated to be RM0.17 and it has been revised to RM1.27 after the modifications made to the exercise price and number of ESOS pursuant to the rights issue in the previous financial year.

The fair value of the second option granted at the grant date was estimated to be RM0.58.

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.

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

	1ST OFFER GRANT DATE 8.03.2011	2ND OFFER GRANT DATE 5.08.2013
Dividend yield (%)	5.20	1.92
Expected volatility (%)	37.55	43.68
Risk-free interest rate (% p.a)	3.51	3.32
Expected life of options (Years)	5	2.59
Underlying share price (RM)	0.635	1.82

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.

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the transactions detailed in Note 20, the Group had the following transactions with related parties during the financial year:

		GROUP		COMPANY	
	NOTE	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Management fees payable to Berjaya Corporation Berhad		**300**	300	**300**	300
Purchase of cleaning material from Kimia Suchi Marketing Sdn. Bhd.	a	**198**	181	**–**	–
Promotion and advertising expenses charged by Sun Media Corporation Sdn. Bhd.	b	**–**	494	**–**	–
Consultancy fee paid to a director of a foreign subsidiary		**33**	10	**–**	–

Notes:

(a) Subsidiary company of BCorp group.

(b) Associate company of BCorp group.

The purchase of products such as cleaning material, motor vehicles and rendering of services by related companies to the Group and other related parties are entered into based on mutually agreed terms between the related parties.

28. KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation of the key management personnel, who are the directors of the Group and of the Company, are as follows:

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Short-term benefits	**2,106**	614	**302**	141
Post-employment benefits	**67**	60	**29**	9
	2,173	674	**331**	150

29. COMMITMENTS

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Capital expenditure				
Property, plant and equipment				
– approved and contracted for	**4,987**	4,301	**–**	–
– approved but not contracted for	**8,575**	17,904	**–**	–
	13,562	22,205	**–**	–

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	
	2014 RM'000	2013 RM'000
Non-cancellable operating lease commitments as lessees		
– Within 1 year after reporting date	**13,675**	12,039
– Later than 1 year but not more than 5 years	**16,325**	15,453
– More than 5 years	**665**	2,246
	30,665	29,738

30. CONTINGENT LIABILITY

	GROUP	
	2014 RM'000	2013 RM'000
Unsecured		
Bank guarantees issued to third parties	**288**	251

31. FINANCIAL INSTRUMENTS

(i) Classification of financial instruments

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

GROUP

	NOTE	LOANS AND RECEIVABLES RM'000	FINANCIAL LIABILITIES AT AMORTISED COST RM'000	TOTAL RM'000
2014				
Financial assets				
Trade and other receivables	8	**13,717**	**–**	**13,717**
Deposits with financial institutions	9	**1,899**	**–**	**1,899**
Cash and bank balances	10	**17,740**	**–**	**17,740**
Total financial assets		**33,356**	**–**	**33,356**
Financial liabilities				
Trade and other payables	16	**–**	**17,028**	**17,028**
Other long term liabilities	13	**–**	**38**	**38**
Short term borrowings	17	**–**	**5,931**	**5,931**
Total financial liabilities		**–**	**22,997**	**22,997**
2013				
Financial assets				
Trade and other receivables	8	10,632	–	10,632
Deposits with financial institutions	9	742	–	742
Cash and bank balances	10	18,492	–	18,492
Total financial assets		29,866	–	29,866
Financial liabilities				
Trade and other payables, representing total financial liabilities	16	–	14,570	14,570

31. FINANCIAL INSTRUMENTS (CONTINUED)

(i) Classification of financial instruments (continued)

COMPANY

	NOTE	LOANS AND RECEIVABLES RM'000	FINANCIAL LIABILITIES AT AMORTISED COST RM'000	TOTAL RM'000
2014				
Assets				
Trade and other receivables	8	**43,070**	**–**	**43,070**
Deposit with financial institution	9	**1,481**	**–**	**1,481**
Cash and bank balances	10	**1,340**	**–**	**1,340**
Total financial assets		**45,891**	**–**	**45,891**
Liabilities				
Trade and other payables	16	**–**	**15,744**	**15,744**
Short term borrowings	17	**–**	**5,931**	**5,931**
Total financial liabilities		**–**	**21,675**	**21,675**
2013				
Assets				
Trade and other receivables	8	29,528	–	29,528
Deposit with financial institution	9	347	–	347
Cash and bank balances	10	476	–	476
Total financial assets		30,351	–	30,351
Liabilities				
Trade and other payables, representing total financial liabilities	16	–	12,873	12,873

(ii) 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	8
Other long term liabilities	13
Trade and other payables	16
Short term borrowings	17

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature. The fair value of the finance lease obligation is estimated by discounting expected future cash flows at market incremental lending rate for similar type of leasing arrangement at reporting date.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES 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 market risk (including interest rate risk and foreign exchange risk), liquidity risk and credit risk. The Group operates within clearly defined guidelines and the Group's policy is not to engage in speculative transactions.

(a) Market risk

(i) 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.

The Group manages the interest rate risks of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank. The Group also ensures that the contracted for its interest bearing receivables are reflective of the prevailing market rates.

The Group manages its interest rate risk exposure by actively reviewing its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes. The Group does not utilise interest swap contracts or other derivatives instruments for trading or speculation purposes.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	GROUP		COMPANY	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fixed rate instruments				
Financial assets	**1,899**	742	**44,343**	29,861
Financial liabilities	**48**	–	**15,559**	12,538
Floating rate instruments				
Financial liabilities	**5,931**	–	**5,931**	–

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not measure any fixed rate instruments at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the statement of profit or loss and other comprehensive income.

Sensitivity analysis for interest rate risk

A change of 25 basis points in interest rates at the reporting date would result insignificant change in profit or loss before tax. As such, the Group is not sensitive to interest rate risk.

(ii) 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"), Singapore Dollar ("SGD") and Brunei Dollar ("BND"). Approximately 1.4% (2013: 1.4%) of the Group's costs of sales are denominated in foreign currencies. The Group's foreign exchange exposures in transactional currencies are kept to a minimal level.

Sensitivity 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.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) 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 statements 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.

Financial assets that are neither past due nor impaired

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 8. 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.

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company 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.

Analysis of financial instruments by remaining contractual maturities

GROUP

	ON DEMAND OR WITHIN ONE YEAR RM'000	ONE TO FIVE YEARS RM'000	TOTAL RM'000
2014			
Financial liabilities			
Trade and other payables	17,028	–	17,028
Hire purchase payables	13	44	57
Short-term borrowings	5,931	–	5,931
	22,972	44	23,016

COMPANY

	ON DEMAND OR WITHIN ONE YEAR RM'000	ONE TO FIVE YEARS RM'000	TOTAL RM'000
2014			
Financial liabilities			
Trade and other payables	15,744	–	15,744
Short-term borrowings	5,931	–	5,931
	21,675	–	21,675

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

In the previous financial year, the Group's and the Company's trade and other payables are either repayable on demand or mature within one year.

33. 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.

The Group monitors capital using a gearing ratio, which is total debt divided by total equity. Total equity represents net equity attributable to the owners of the parent plus non-controlling interests.

	GROUP	
	2014 RM'000	2013 RM'000
Short term borrowings	5,931	–
Hire purchase	48	–
Total debt	5,979	–
Total equity	162,146	143,830
Gearing ratio (%)	3.69	–

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(1) On 24 July 2013, the Company incorporated a new wholly-owned subsidiary under the name of Berjaya Food Management Services Sdn Bhd.

(2) On 7 October 2013, the Company announced that its wholly-owned subsidiary, Berjaya Food (International) Sdn Bhd ("BFI") has entered into a Joint Venture Cum Shareholders' Agreement with Deluxe Daily Food Sdn Bhd, a company incorporated in Brunei, for the subscription of 80% equity interest in a new joint venture company namely Berjaya Food Supreme Sdn Bhd ("BFS"), to be incorporated in Brunei, to undertake the operations of "Starbucks Coffee" chain of cafes in Brunei for a cash consideration of about BND2.40 million or about RM6.20 million.

On 31 October 2013, BFI subscribed for the initial issued and paid-up share capital of BFS for a cash consideration of BND 1.2 million (or about RM3.06 million) representing 80% equity interest in BFS.

(3) On 8 November 2013, the Company completed the sale of 100% equity interest in Berjaya Jollibean (M) Sdn Bhd to Jollibean Foods Pte Ltd, a wholly owned subsidiary company of the Company, for a cash consideration of RM300,000.

35. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

(1) On 9 July 2014, the Company announced that its wholly-owned subsidiary, BFI had incorporated a new subsidiary, Berjaya Roasters (Cambodia) Ltd ("BRCL") in the Kingdom of Cambodia. BFI had subscribed for 350,000 BRCL shares representing 70% of the issued share capital of BRCL at par value for a total cash consideration of KHR1.4 billion or about RM1.11 million.

(2) On 23 July 2014, the Company announced that it had entered into a conditional share purchase agreement with Starbucks Coffee International, Inc for the proposed acquisition of 11,500,000 ordinary shares of RM1.00 each in BStarbucks, representing the remaining 50.00% equity interest in BStarbucks not owned by the Company, for a total cash consideration of USD88 million or about RM279.51 million.

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

The breakdown of the retained profits of the Group and of the Company 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.

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Realised profits	**37,001**	38,772	**8,945**	8,116
Unrealised losses	**(2,735)**	(2,804)	**(1)**	(1)
	34,266	35,968	**8,944**	8,115
Share of results from joint venture	**22,537**	8,048	**–**	–
Total retained profits	**56,803**	44,016	**8,944**	8,115
Consolidated adjustments	**(83)**	(83)	**–**	–
Retained earnings as per financial statements	**56,720**	43,933	**8,944**	8,115

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

FOR THE YEAR ENDED 30 APRIL 2014

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

BERJAYA FOOD BERHAD ("BFOOD") GROUP WITH THE FOLLOWING RELATED PARTIES	NATURE OF TRANSACTIONS UNDERTAKEN BY BFOOD AND/OR ITS UNLISTED SUBSIDIARIES	AMOUNT TRANSACTED FROM 01.05.13-30.04.14 (RM'000)
Berjaya Corporation Berhad ("BCorp") and its unlisted subsidiaries:-		
BCorp	Management fees payable by BFood for services rendered that include, inter-alia, the provision of finance, secretarial and general administrative services	300
Berjaya Registration Services Sdn Bhd	Receipt of share registration services by BFood	27
Berjaya Channel Sdn Bhd	Procurement of advertising services by BFood Group	48
Roasters Asia Pacific (M) Sdn Bhd	Royalty fee payable by Berjaya Roasters (M) Sdn Bhd ("BRoasters")	624
	Income receivable pursuant to the rights awarded by BRoasters for granting of franchises to the Independent Franchisees	333
Roasters Asia Pacific (Cayman) Limited	Royalty fee payable by PT Boga Lestari Sentosa ("PT Boga") in respect of ongoing training and support services provided	105
	Franchise fee payable by PT Boga in respect of support services for the opening of new outlets	261
	Advertisement and promotion fund paid/payable by PT Boga	66
Securexpress Services Sdn Bhd	Provision of transportation services to BRoasters	115
Kimia Suchi Marketing Sdn Bhd	Purchase of cleaning chemical products by BRoasters	198
Total		**2,077**
Berjaya Land Berhad ("BLand") and its unlisted subsidiaries:-		
Cempaka Properties Sdn Bhd	Rental payable at RM8,489 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	102
Total		**102**

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

FOR THE YEAR ENDED 30 APRIL 2014

BERJAYA FOOD BERHAD ("BFOOD") GROUP WITH THE FOLLOWING RELATED PARTIES	NATURE OF TRANSACTIONS UNDERTAKEN BY BFOOD AND/OR ITS UNLISTED SUBSIDIARIES	AMOUNT TRANSACTED FROM 01.05.13-30.04.14 (RM'000)
Berjaya Assets Berhad ("BAssets") and its unlisted subsidiaries:-		
Berjaya Times Square Sdn Bhd	Rental payable at RM30,195 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	362
	Rental payable at RM18,858 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	226
	Rental payable at RM8,750 per month for renting of kiosk by Berjaya Jollibean (M) Sdn Bhd at Lot LG-18A-2, Lower Ground 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	409
BTS Car Park Sdn Bhd	Parking charges payable by BFood Group	46
Total		**1,043**
Berjaya Media Berhad ("BMedia") and its unlisted subsidiaries:-		
Sun Media Corporation Sdn Bhd	Procurement of advertising and publishing services by BFood Group	5
Total		**5**
Other related companies:-		
Qinetics Services Sdn Bhd (a)	Purchase of hardware, software and network equipment, maintenance and management service by BFood Group	111
Berjaya RadioShack Sdn Bhd ("BRadioShack") (b)	Purchase of hardware and electronic equipment by BRoasters	82
Total		**193**
Grand total		**3,420**

Notes:

a. Qinetics Services Sdn Bhd is a wholly-owned subsidiary of Qinetics Solutions Sdn Bhd which in turn is an 88%-owned subsidiary of MOL.com. Sdn Bhd ("MOL.com"), BCorp and Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT") are Major Shareholders of Qinetics Solutions Sdn Bhd by virtue of their interests in MOL.com.

b. BRadioShack is an indirect wholly-owned subsidiary of Premier Merchandise Sdn Bhd which in turn is a wholly-owned subsidiary of Intan Utilities Berhad ("Intan"). TSVT is a deemed Major Shareholder of Intan by virtue of his 99.99% interest in HQZ Credit Sdn Bhd, the ultimate holding company of Intan.

OTHER INFORMATION

MATERIAL CONTRACTS

Other than as disclosed in Notes 8, 16, 18, 20, 27, 29, 34 and 35 to the financial statements for the financial year ended 30 April 2014, there were no other material contracts entered into by Berjaya Food Berhad and its subsidiary companies 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 2014 amounted to RM16,000.

STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 23 JULY 2014

The Company:

	NUMBER OF ORDINARY SHARES OF RM0.50 EACH			
	DIRECT INTEREST	%	DEEMED INTEREST	%
Dato' Robin Tan Yeong Ching	1,877,560	0.67	–	–
Dato' Lee Kok Chuan	1,008,300	0.36	–	–
Tan Thiam Chai	260,000	0.09	–	–
Datuk Zainun Aishah Binti Ahmad	72,000	0.03	–	–
Dato' Mustapha Bin Abd Hamid	249,480	0.09	–	–
Dato' Zurainah Binti Musa	–	–	17,452,000	6.24

	NUMBER OF ORDINARY SHARES OF RM0.50 EACH UNDER EMPLOYEES' SHARE OPTION SCHEME			
	DIRECT INTEREST	%	DEEMED INTEREST	%
Dato' Robin Tan Yeong Ching	211,740	0.08	–	–
Dato' Lee Kok Chuan	483,600	0.17	–	–
Tan Thiam Chai	65,800	0.02	–	–
Datuk Zainun Aishah Binti Ahmad	65,800	0.02	–	–
Dato' Mustapha Bin Abd Hamid	42,320	0.02	–	–

	NUMBER OF WARRANTS			
	DIRECT INTEREST	%	DEEMED INTEREST	%
Dato' Lee Kok Chuan	356,300	0.37	–	–
Tan Thiam Chai	120,000	0.13	–	–
Datuk Zainun Aishah Binti Ahmad	32,000	0.03	–	–

Ultimate holding company:

Berjaya Corporation Berhad

	NUMBER OF ORDINARY SHARES OF RM1.00 EACH			
	DIRECT INTEREST	%	DEEMED INTEREST	%
Dato' Robin Tan Yeong Ching	2,222,847	0.05	599,416,995	13.94
			5,000#	0.00
Dato' Lee Kok Chuan	24,000	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	–	–	12,401,200	1.93
Dato' Lee Kok Chuan	22	0.00	17#	0.00
Dato' Zurainah Binti Musa	–	–	1,758,700	0.27

	NUMBER OF 5% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2012/2022 OF RM1.00 NOMINAL VALUE EACH			
	DIRECT INTEREST	%	DEEMED INTEREST	%
Dato' Robin Tan Yeong Ching	2,620,500	0.38	87,029,000	12.51
			1,000#	0.00
Dato' Lee Kok Chuan	50,000	0.01	–	–
Tan Thiam Chai	20,600	0.00	17,400#	0.00

	NUMBER OF WARRANTS			
	DIRECT INTEREST	%	DEEMED INTEREST	%
Dato' Robin Tan Yeong Ching	2,620,500	0.37	87,029,000	12.43
			1,000#	0.00
Tan Thiam Chai	20,600	0.00	17,400#	0.00

STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 23 JULY 2014

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	56,600,000	1.13
Tan Thiam Chai	40,000	0.00	–	–

Berjaya Sports Toto Berhad

	NUMBER OF ORDINARY SHARES OF RM0.10 EACH			
	DIRECT INTEREST	%	DEEMED INTEREST	%
Dato' Robin Tan Yeong Ching	1,000,000	0.07	–	–
Dato' Lee Kok Chuan	61,395	0.00	–	–
Tan Thiam Chai	171,063	0.01	77,221#	0.01
Dato' Zurainah Binti Musa	–	–	1,259,665	0.10

Berjaya Auto Berhad

	NUMBER OF ORDINARY SHARES OF RM0.50 EACH			
	DIRECT INTEREST	%	DEEMED INTEREST	%
Dato' Robin Tan Yeong Ching	350,000	0.04	–	–
Dato' Lee Kok Chuan	600,200	0.07	–	–
Tan Thiam Chai	10,000	0.00	9,500	0.00
Dato' Mustapha Bin Abd Hamid	–	–	19,036,000	2.36

	NUMBER OF ORDINARY SHARES OF RM0.50 EACH UNDER EMPLOYEES' SHARE OPTION SCHEME			
	DIRECT INTEREST	%	DEEMED INTEREST	%
Dato' Robin Tan Yeong Ching	800,000	0.10	–	–
Dato' Lee Kok Chuan	800,000	0.10	–	–

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

SUBSTANTIAL SHAREHOLDERS AS AT 23 JULY 2014

	NUMBER OF ORDINARY SHARES OF RM0.50 EACH			
NAME	DIRECT INTEREST	%	DEEMED INTEREST	%
Berjaya Group Berhad	142,767,860	51.01	200,000(a)	0.07
Berjaya Corporation Berhad	–	–	142,967,860(b)	51.08
Tan Sri Dato' Seri Vincent Tan Chee Yioun	1,000,000	0.36	142,967,860(c)	51.08
Perbadanan Nasional Berhad	17,452,000	6.24	–	–
Dato' Zurainah Binti Musa	–	–	17,452,000(d)	6.24

(a) Deemed Interested by virtue of its deemed interest in Berjaya Philippines Inc.

(b) Deemed Interested by virtue of its 100% interest in Berjaya Group Berhad and its deemed interest in Berjaya Philippines Inc.

(c) Deemed Interested by virtue of his interest in Berjaya Corporation Berhad.

(d) Deemed Interested pursuant to the Put and Call Option Agreements dated 7 October 2013 with Perbadanan Nasional Berhad.

STATISTICS ON SHARES AND WARRANTS

AS AT 23 JULY 2014

ANALYSIS OF SHAREHOLDINGS

SIZE OF SHAREHOLDING	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
less than 100	138	8.89	1,278	0.00
100 – 1,000	516	33.25	213,497	0.08
1,001 – 10,000	563	36.28	2,619,845	0.94
10,001 – 100,000	229	14.75	7,343,600	2.62
100,001 – 13,994,881	101	6.51	122,767,420	43.86
13,994,882 and above*	5	0.32	146,952,000	52.50
Total	**1,552**	**100.00**	**279,897,640**	**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

	NAME OF SHAREHOLDERS	NO. OF SHARES HELD	%
1	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad For Berjaya Group Berhad	50,500,000	18.04
2	Cartaban Nominees (Tempatan) Sdn Bhd Raiffeisen Bank International For Berjaya Group Bhd	50,000,000	17.86
3	Perbadanan Nasional Berhad	17,452,000	6.24
4	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Berjaya Group Berhad (01-00844-000)	15,000,000	5.36
5	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad	14,000,000	5.00
6	Berjaya Group Berhad	13,267,860	4.74
7	DB (Malaysia) Nominee (Asing) Sdn Bhd SSBT Fund W4B0 For Wasatch International Opportunities Fund	7,891,100	2.82
8	HSBC Nominees (Asing) Sdn Bhd Exempt An For JPMorgan Chase Bank, National Association (Norges BK)	7,500,000	2.68
9	Lim Boon Liat	5,090,000	1.82
10	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For CIMB-Principal Small Cap Fund (240218)	4,590,500	1.64
11	HSBC Nominees (Asing) Sdn Bhd BBH And Co Boston For Grandeur Peak International Opportunities Fund	3,950,800	1.41
12	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB-Principal Asset Management Berhad For Manulife Insurance (Malaysia) Berhad – (Equity Fund)	3,930,200	1.40
13	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB-Principal Asset Management Berhad For Manulife Insurance (Malaysia) Berhad – (Managed Fund)	3,842,400	1.37
14	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Kok Ping	3,500,000	1.25

STATISTICS ON SHARES AND WARRANTS
AS AT 23 JULY 2014

THIRTY (30) LARGEST SHAREHOLDERS (CONTINUED)

	NAME OF SHAREHOLDERS	NO. OF SHARES HELD	%
15	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For AIA Bhd.	3,381,980	1.21
16	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For RHB -OSK Small Cap Opportunity Unit Trust (3548)	3,199,000	1.14
17	Koperasi Permodalan Felda Malaysia Berhad	2,940,000	1.05
18	Koperasi Permodalan Felda Malaysia Berhad	2,806,200	1.00
19	HSBC Nominees (Asing) Sdn Bhd BBH And Co Boston For Grandeur Peak Emerging Markets Opportunities Fund	2,790,400	1.00
20	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	2,678,500	0.96
21	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For MAAKL Progress Fund (4082)	2,448,000	0.88
22	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For RHB -OSK Growth And Income Focus Trust (4892)	2,141,900	0.77
23	Amanahraya Trustees Berhad Public Smallcap Fund	2,100,060	0.75
24	Amanahraya Trustees Berhad CIMB Principal Equity Aggressive Fund 1	1,940,100	0.69
25	HSBC Nominees (Asing) Sdn Bhd BBH And Co Boston For Grandeur Peak Global Opportunities Fund	1,893,000	0.68
26	Dato' Robin Tan Yeong Ching	1,877,560	0.67
27	Amanahraya Trustees Berhad Public Strategic Smallcap Fund	1,839,320	0.66
28	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Zurich Insurance Malaysia Berhad (Growth Fund)	1,821,200	0.65
29	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lye Ek Seang (AL0101)	1,800,000	0.64
30	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For RHB -OSK Equity Trust (3175)	1,600,000	0.57
		237,772,080	**84.95**

STATISTICS ON SHARES AND WARRANTS

AS AT 23 JULY 2014

ANALYSIS OF WARRANT HOLDINGS

SIZE OF WARRANT HOLDING	NO. OF WARRANT HOLDERS	%	NO. OF WARRANTS	%
less than 100	10	2.30	520	0.00
100 – 1,000	123	28.34	64,040	0.07
1,001 – 10,000	178	41.01	863,400	0.90
10,001 – 100,000	83	19.12	2,864,920	2.99
100,001 – 4,790,731	39	9.00	19,112,900	19.95
4,790,732 and above	1	0.23	72,908,860	76.09
Total	**434**	**100.00**	**95,814,640**	**100.00**

* Denotes 5% of the Warrants outstanding.

THIRTY (30) LARGEST WARRANT HOLDERS

	NAME OF WARRANT HOLDERS	NO. OF WARRANTS HELD	%
1	Berjaya Group Berhad	72,908,860	76.09
2	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Oh Kim Sun (PBCL-0G0019)	2,500,000	2.61
3	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For CIMB-Principal Small Cap Fund (240218)	1,632,600	1.70
4	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad For Hong Leong Growth Fund	1,609,000	1.68
5	Woon Chuan Keong	1,388,000	1.45
6	Citigroup Nominees (Asing) Sdn Bhd CGML IPB For Pedder Street Asia Absolute Return Master Fund Limited	1,042,800	1.09
7	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Zurich Insurance Malaysia Berhad (Growth Fund)	987,200	1.03
8	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad For Hong Leong Penny Stock Fund	727,200	0.76
9	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Yee Hui	708,100	0.74
10	Amanahraya Trustees Berhad Public Strategic Smallcap Fund	695,120	0.73
11	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB-Principal Asset Management Berhad For Manulife Insurance (Malaysia) Berhad – (Equity Fund)	625,000	0.65
12	Thye Mooi Lee	563,000	0.59
13	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yoong Yet Onn	552,000	0.58
14	Lim Sew Muei	512,000	0.53
15	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Christina Loh Yoke Lin (8111756)	500,000	0.52

STATISTICS ON SHARES AND WARRANTS
AS AT 23 JULY 2014

THIRTY (30) LARGEST WARRANT HOLDERS (CONTINUED)

	NAME OF WARRANT HOLDERS	NO. OF WARRANTS HELD	%
16	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB-Principal Asset Management Berhad For Manulife Insurance (Malaysia) Berhad – (Managed Fund)	454,700	0.47
17	Tee Yoke Seng	440,000	0.46
18	RHB Nominees (Tempatan) Sdn Bhd Amara Investment Management Sdn Bhd For Wong Yee Hui	295,000	0.31
19	HSBC Nominees (Tempatan) Sdn Bhd Exempt An For Credit Suisse (SG BR-TST-TEMP)	276,300	0.29
20	CIMB Group Nominees (Tempatan) Sdn Bhd PB Trustee Services Berhad For CIMB-Principal Wholesale Equity Fund (50008 HDOF)	274,940	0.29
21	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Desa Artistik Sdn Bhd (E-SS2)	274,100	0.29
22	HLIB Nominees (Tempatan) Sdn Bhd Hong Leong Bank Bhd For Soon Chee Shyang	250,000	0.26
23	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chia Shan-Ni	219,200	0.23
24	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Zurich Insurance Malaysia Berhad (Balanced Fund)	204,440	0.21
25	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Low Kiam Swee (CCTS)	202,500	0.21
26	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Mohan A/L Perumal (8077481)	187,100	0.19
27	Siew Lip Sung	181,900	0.19
28	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Tat Leng (E-BMM)	180,000	0.19
29	Ng Poh Lai	168,000	0.17
30	Cimsec Nominees (Tempatan) Sdn Bhd Exempt An For CIMB Securities (Singapore) Pte Ltd (Retail Clients)	160,000	0.17
		90,719,060	**94.68**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting of Berjaya Food Berhad will be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 17 September 2014 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 2014 and the Directors' and Auditors' Reports thereon. **RESOLUTION 1**

2. To approve the payment of Directors' fees amounting to RM72,329 for the year ended 30 April 2014. **RESOLUTION 2**

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

   (a) Dato' Mustapha Bin Abd Hamid **RESOLUTION 3**

   (b) Tan Thiam Chai **RESOLUTION 4**

   (c) Datuk Idris Bin Hashim **RESOLUTION 5**

   (d) Dato' Zurainah Binti Musa **RESOLUTION 6**

4. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration. **RESOLUTION 7**

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 8**

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

   "THAT, subject to the provisions of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with the related parties, as specified in Section 2.3 of the Circular to Shareholders dated 26 August 2014 ("Proposed Mandate") which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies 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 Annual General Meeting ("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 subsidiary companies 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 9**

(iii) PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

"THAT, subject always to the Companies Act, 1965 ("Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Exchange") and the requirements of any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares of RM0.50 each in the Company ("BFood Shares") through the Exchange and to take all such steps as are necessary (including the opening and maintaining of a central depositories account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

(1) the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the issued and paid-up share capital of the Company;

(2) the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits or share premium reserve of the Company or both;

(3) the authority shall commence immediately upon passing of this ordinary resolution until:-

   (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming general meeting at which such resolution was passed at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

   (b) the expiration of the period within which the next AGM after that date it is required by law to be held; or

   (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

AND THAT upon completion of the purchase(s) of the BFood Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any BFood Shares so purchased by the Company in the following manner:-

(a) cancel all the BFood Shares so purchased; or

(b) retain all the BFood Shares as treasury shares for future re-sale or for distribution as dividend to the shareholders of the Company; or

(c) retain part thereof as treasury shares and subsequently cancelling the balance; or

(d) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Exchange and any other relevant authority for the time being in force." **RESOLUTION 10**

By Order of the Board

SU SWEE HONG
Secretary

Kuala Lumpur
26 August 2014

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 need not be a member of the Company. There shall be no restriction as to the qualification of the proxy 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) Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991and holding shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(iv) 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.

(v) 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.

(vi) Depositors whose names appear in the Record of Depositors as at 9 September 2014 shall be regarded as members of the Company entitled to attend the Annual General Meeting or appoint proxies to attend on their behalf.

(B) Special Business

(i) Resolution 8 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.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Fourth Annual General Meeting held on 10 October 2013 and which will lapse at the conclusion of the Fifth Annual General Meeting.

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 9, 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 the Circular/Statement to Shareholders dated 26 August 2014 which is despatched together with the Company's 2014 Annual Report.

(iii) Resolution 10, if passed, will provide the mandate for the Company to buy back its own shares up to a limit of 10% of the issued and paid-up share capital of the Company ("Proposed Share Buy-Back Renewal"). Detailed information on the Proposed Share Buy-Back Renewal is set out under Part B of the Circular/Statement to Shareholders dated 26 August 2014 which is despatched together with the Company's 2014 Annual Report.

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FORM OF PROXY

BERJAYA

BERJAYA FOOD BERHAD
(Company No. 876057-U)

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 Fifth Annual General Meeting of the Company to be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 17 September 2014 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 Dato' Mustapha Bin Abd Hamid as Director.		
RESOLUTION 4	To re-elect Tan Thiam Chai as Director.		
RESOLUTION 5	To re-elect Datuk Idris Bin Hashim as Director.		
RESOLUTION 6	To re-elect Dato' Zurainah Binti Musa as Director.		
RESOLUTION 7	To re-appoint Auditors.		
RESOLUTION 8	To approve authority to issue and allot shares.		
RESOLUTION 9	To renew shareholders' mandate for Recurrent Related Party Transactions.		
RESOLUTION 10	To renew authority to purchase its own shares by the Company		

NO. OF SHARES HELD

____
Signature of Member

Dated this ______________ day of ______________ 2014.

Notes:

(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 need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(2) 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.

(3) Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991and holding shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(4) 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.

(5) 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.

(6) Depositors whose names appear in the Record of Depositors as at 9 September 2014 shall be regarded as members of the Company entitled to attend the Annual General Meeting or appoint proxies to attend on their behalf.

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

2nd fold here

1st fold here

GROUP ADDRESSES

Berjaya Food Berhad
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
www.berjaya.com

Berjaya Roasters (M) Sdn Bhd
Lot 09-16, Level 9 (East Wing),
Berjaya Times Square,
No. 1, Jalan Imbi,
55100 Kuala Lumpur.

Tel: 03-2119 9888
Fax: 03-2142 7688

Berjaya Jollibean (M) Sdn Bhd
Lot 07-33, Level 7 (East Wing),
Berjaya Times Square,
No. 1, Jalan Imbi,
55100 Kuala Lumpur.

Tel: 03-2145 3259
Fax: 03-2143 4085

Berjaya Starbucks Coffee Company Sdn Bhd
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Tel: 03-2052 5888
Fax: 03-2052 5889

PT Boga Lestari Sentosa
Sentosa Building Bintaro Jaya CBD,
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95, Jalan Pemancha,
Bandar Seri Begawan BS8811,
Brunei Darussalam.

Tel: 03-2052 5888
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The Company Secretary
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