



**BERJAYA**

**BERJAYA FOOD BERHAD**

(Company No. 876057-U)



**STARBUCKS**



**Jollibean**<sup>®</sup>  
We've been spreading joy



Less fat ... Less salt ... Less calories ...

**ANNUAL  
REPORT  
2015**

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# 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 was 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 18 September 2014, BFood completed the 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). BStarbucks is now a 100% owned subsidiary company of BFood.

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 (“BJollibean”).

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) Limited (“BRCL”), in the Kingdom of Cambodia to develop and operate the KRR chain of restaurants in Cambodia.

## 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 100 KRR restaurants across Malaysia. KRR celebrated its 20th anniversary in April 2015.

KRR 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, sandwiches 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. From its first store opening in Kuala Lumpur on 17 December 1998, BStarbucks has expanded to Sabah and Sarawak and celebrated its 16th year of operations in December 2014. BStarbucks has more than 190 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 2015, it has 19 drive-thru concept stores which are located in Klang Valley, Johor, Penang, Perak and Pahang.

On 16 February 2014, BStarbucks spread its wings to Brunei Darussalam, opening its first store at the Mabohai Shopping Complex. 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. On 7 September 2014, BStarbucks opened its first drive-thru concept store in Beribi, while its third store opened in January 2015. BStarbucks celebrated its first year of operations in Brunei in February 2015.

## JOLLIBEAN

Jollibean Foods was incorporated in November 1993. Presently, there are a total of 33 “Jollibean” outlets, 12 “Sushi Deli” outlets, all of which are based on the Quick Service Concept, and 2 “Kopi Alley” outlets in Singapore. It also introduced its first “3-in-1” concept outlet, “Jollibean U+”, which incorporates Jollibean, Sushi Deli and Kopi Alley menu items.

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 items such as coffee, tea, toasted bread, nasi lemak and mee siam. “Sushi Deli” 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.

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' Sri Robin Tan Yeong Ching**

Executive Chairman

### **Dato' Lee Kok Chuan**

Chief Executive Officer

### **Tan Thiam Chai**

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  
Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur  
Tel: 03-7495 8000  
Fax: 03-2095 5332

## REGISTERED OFFICE

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

## PRINCIPAL 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' SRI ROBIN TAN YEONG CHING**

*41 years of age, Malaysian*

*Executive Chairman*

He was appointed to the Board on 20 May 2010 as the Executive Chairman. 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 Sampo 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 is also a Commission Member of the Companies Commission of Malaysia.

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



## **DATO' LEE KOK CHUAN**

*56 years of age, Malaysian*

*Chief Executive Officer*

He was appointed to the Board on 20 May 2010 as the Chief Executive Officer. 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, Berjaya Capital 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.

# PROFILE OF DIRECTORS



## **TAN THIAM CHAI**

*56 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 (now known as Tunku Abdul Rahman University College) 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, Berjaya Vacation Club Berhad, Tioman Island Resort Berhad, Berjaya Starbucks Coffee Company Sdn Bhd, 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.

## **DATO' ZURAINAH BINTI MUSA**

*53 years of age, Malaysian*

*Non-Independent Non-Executive Director*

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

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, a Director of Uzma Berhad, Tioman Island Resort Berhad and several other private limited companies.

She is also an Executive Director of Berjaya Times Square Sdn Bhd and a Director of several subsidiaries of Berjaya Assets Berhad.

## **DATUK ZAINUN AISHAH BINTI AHMAD**

*69 years of age, Malaysian*

*Independent Non-Executive Director*

She was appointed to the Board on 20 May 2010 as an Independent Non-Executive Director. 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 Penyalarsan 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**

*62 years of age, Malaysian*

*Independent Non-Executive Director*

He was appointed to the Board on 20 May 2010 as an Independent Non-Executive Director. 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 directors and/or major shareholders of the Company;
2. any conflict of interest with the Company; and
3. any conviction for offences within the past 10 years other than traffic offences.



# EXECUTIVE CHAIRMAN'S STATEMENT

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 2015.



*The grand launch for Starbucks' Beribi drive-thru store in Brunei on 7 September 2014.*



*The first Starbucks drive-thru concept store in Beribi, Brunei.*

## FINANCIAL RESULTS

For the financial year ended 30 April 2015, BFood registered an increase in revenue to RM376.78 million as compared to revenue of RM150.37 million in the previous financial year. Pre-tax profit increased to RM182.77 million from RM24.57 million in the previous financial year.

The higher revenue was mainly due to the full effect of consolidation of the newly acquired wholly owned subsidiary, Berjaya Starbucks Coffee Company Sdn Bhd (“BStarbucks”) with effect from 18 September 2014. The increase in pre-tax profit was mainly due to the recognition of the gain arising from remeasurement of the 50% equity interest in BStarbucks previously held by the Group in accordance with the requirements of accounting standards upon the consolidation of BStarbucks, as well as the consolidation of the improved results of BStarbucks and the contribution of the Brunei Starbucks operations. This is in spite of the high interest expenses of about RM8.89 million which was substantially related to the financing for the acquisition of the additional 50% equity interest in BStarbucks as well as the impairment and write off of certain property, plant and equipment of about RM4.95 million.

## DIVIDEND

For the financial year ended 30 April 2015, the Group had declared and paid a total dividend of 5.75 sen or 11.50% single-tier dividend per share (4.25 sen or 8.5% single-tier exempt dividend per share for the financial year ended 30 April 2014).



*Starbucks' Batu Feringghi store in Penang is connected to the beach.*

The total dividend paid was approximately RM21.45 million which represented approximately 12% of the attributable profit of the Group for the financial year ended 30 April 2015.

## SIGNIFICANT CORPORATE DEVELOPMENT

On 18 September 2014, BFood completed the acquisition of the remaining 50% equity interest in BStarbucks not owned by BFood for a cash consideration of USD88 million (about RM283.54 million). BStarbucks is now a 100% owned subsidiary of BFood.

# EXECUTIVE CHAIRMAN'S STATEMENT

## CORPORATE SOCIAL RESPONSIBILITY ("CSR")

BFood and its subsidiaries continued to reach out to needy communities through various CSR initiatives.

### Reaching Out and Giving Back to the Communities

Berjaya Roasters (M) Sdn Bhd ("BRoasters") reaches out to needy communities through its annual charity events such as the ROASTERS Chicken Run, Wishing Tree and welfare home visits under the Kenny Rogers Roasters ("KRR") Community Chest programme established in 2005.

The 10th Annual ROASTERS Chicken Run in 2014 saw more than 3,600 runners of all ages join the charity run, in aid of the Little Yellow Flower Foundation, for the third consecutive year. The charity run raised RM65,000 for the Foundation in support of their 'Nutrition, Lunch and Tuition' programme, which benefited 40 urban poor families. BRoasters further supported the Foundation by providing RM3,000 worth of reading materials to the "Reading Wonderland", a community library and information resource centre established to promote good reading habits among underprivileged children.



The KRR Wishing Tree campaign granted the wishes of children from Good Samaritan Home in Klang, Selangor.



Dato' Francis Lee (2nd from the left), CEO of Berjaya Food Berhad and Lee Siew Weng (1st from the left), BRoasters' Senior General Manager presenting the proceeds from the ROASTERS Chicken Run 2014 to Lee Sinje, Malaysian artiste and co-founder of Little Yellow Flower Foundation, and Yise Loo, Malaysian artiste and volunteer for the foundation.



BRoasters' team celebrating Chinese New Year 2015 with the residents of Rumah Victory in Puchong.



A total of 3,600 runners participated in the 10th Annual ROASTERS Chicken Run 2014 which raised RM65,000.

In December 2014, the KRR Wishing Tree campaign continued to spread the spirit of giving by helping to fulfil the wishes of children from underprivileged communities. Since its inception in 2005, the campaign has granted the wishes of 14,265 children nationwide.

During the festive seasons, BRoasters organised welfare home visits to Rumah Seri Kenangan in Kuching, Sarawak, Rumah Orang Tua SP in Sungai Petani, Kedah, Rumah Warga Tua in Hillville Pendarosa, Johor Bahru, Rumah Warga Tua, Ampang in Kuala Lumpur and Rumah Victory in Puchong, Selangor. The residents were treated to nutritious Kenny's Chicken Meals.

BRoasters is also supporting and co-funding SOLS 24/7-BMF education revolution programme by bringing free English education to local communities nationwide since July 2014.

# EXECUTIVE CHAIRMAN'S STATEMENT



One of the workers from the Craft CT 01 Enterprise in Pahang trimming the Starbucks' Mengkuang Hot Cup Sleeve to finished product.



Starbucks' Mengkuang Hot Cup Sleeves were launched on 23 February 2015 and retailed at 50 selected Starbucks stores nationwide.

The BStarbucks' Connecting Communities programme which was launched in 2013 to commemorate its 15th anniversary in Malaysia, continued to make a positive social impact by empowering and uplifting the lives of the local communities. In 2015, BStarbucks launched the second project under this programme by collaborating with Craft CT 01 Enterprise in Felda Chini Timur Satu, Pekan Pahang to produce mengkuang-based products. The Starbucks Mengkuang Hot Cup Sleeves were launched on 23 February 2015 and the Starbucks Mengkuang Coasters were launched in June 2015. Both products were retailed at 50 selected stores nationwide. Besides providing the villagers with an additional source of income, the project also helps promote Malaysian handicraft.

In April 2015, BStarbucks celebrated its 5th annual Global Month of Service ("GMoS") with 101 partners (employees) and 357 customers who contributed a total of 2,918 community service hours for four community service projects in the Klang Valley, Johor and Sarawak.

BStarbucks also introduced the Community Service Grant to provide financial aid to charitable organisations in the field of education, health and environment. More than RM119,500 was disbursed in support of various community projects such as the E-learning programme for 60 children at Kampung Lubuk Jaya, Kuala Selangor and the operation of two free clinics in Penang, a paediatric clinic set up in May 2005 and a mobile clinic set up in February 2010, in collaboration with Persatuan Kebajikan Hope Worldwide. To date, over 6,000 children from urban poor families have received medical attention from the paediatric clinic. The mobile clinic which travels within Seberang Perai and to indigenous villages has provided free medical support to 3,500 patients.

## Promoting the Spirit of Volunteerism Among Malaysian Youth

During the year under review, BStarbucks collaborated with Jane Goodall's Roots & Shoots Malaysia to embark on an initiative to encourage youth empowerment through various environmental and community projects. The Starbucks Malaysia Roots & Shoots Project was officially launched on 30 January 2015 with projects such as setting up and maintaining the Community Edible Garden at selected Starbucks stores, the Young Authors programme to cultivate an interest in writing among children, the E-Learning programme for children in Kampung Lubuk Jaya, and the Grounds for Your Garden programme.



Sydney Quays (left), Managing Director of Starbucks Malaysia and Brunei officiated the Starbucks Malaysia Roots & Shoots Project together with Dr. Jane Goodall, world-renowned primatologist, conservationist, anthropologist and UN Messenger of Peace.



Mock cheque presented to Persatuan Kebajikan Hope Worldwide by BStarbucks in support of the E-Learning programme at the Community Computer Centre in Kampung Lubuk Jaya, Kuala Selangor.

# EXECUTIVE CHAIRMAN'S STATEMENT



*BStarbucks' partners (employees) with volunteers from Roots & Shoots Malaysia worked together to build a drainage system and landscaping project for the Community Computer Centre in Kampung Lubuk Jaya.*



*BStarbucks provided free coffee to volunteers to reward their efforts at the relief supplies donation centre for the East Coast flood victims.*



*BRoasters provided free KRR meals and drinks to volunteers at the relief supplies donation centre for the East Coast flood victims.*

Apart from this, BStarbucks' partners (employees) also volunteered their time regularly at the paediatric and mobile clinics in Penang to assist with patient registration, distribution of food and medicine, and conduct activities such as arts and crafts as well as reading sessions for less fortunate children.

To encourage the spirit of volunteerism among Malaysians, BRoasters and BStarbucks provided free coffee and KRR meals to volunteers who managed and packed relief supplies for the East Coast flood victims at the donation centre at Bukit Kiara Sports Complex, Kuala Lumpur in December 2014.

## Workplace

BFood and its subsidiaries continued to put emphasis on training and development as part of its human capital investment to empower its employees and prepare them for career progression through programmes such as Annual Business Plan Meetings, Leadership Conventions as well as various incentives and reward programmes. To foster a sense of camaraderie and team spirit among employees, various social gatherings, sporting events and annual dinners were also organised.

In April 2015, BRoasters celebrated KRR's 20th anniversary at Berjaya Times Square Hotel Kuala Lumpur and, at the same time, honoured its long-serving employees who had served between 10 to 20 years with the Long Service Award.

In December 2014, BStarbucks celebrated its 16th anniversary with the theme Engagement, Recognition and Fun at Kuala Lumpur Tower. Awards such as The Store Manager of the Year and District Manager of the Year were presented to partners (employees) in recognition of their dedication and hardwork.



*Dato' Sri Robin Tan (6th from the left), Executive Chairman of Berjaya Food Berhad and Dato' Francis Lee (6th from the right), CEO of Berjaya Food Berhad presenting Long Service Awards to staff in conjunction with BRoasters' 20th anniversary in April 2015.*

# EXECUTIVE CHAIRMAN'S STATEMENT



*Starbucks Malaysia 2014 Awards Party to celebrate its 16th anniversary and awards were presented to staff with outstanding performance.*



*"Bring Your Kids to Work Day" was organised for the first time in March 2015.*

In March 2015, BStarbucks organised a "Bring Your Kids to Work Day" at the Starbucks Support Centre to provide an opportunity for the children of Starbucks' partners (employees) to experience and learn more about their parents' workplace.

## **Small steps to care for the environment**

To continue advocating the message of green consciousness and mitigate the impact on the environment, a reusable meal container, "i.care Box" was introduced by BRoasters in November 2011. In the beginning of 2015, BRoasters introduced its second generation "i.care Box", featuring 3 compartments perfectly sized to help customers build a healthy eating habit through a balanced and proportional diet. Since the introduction, more than 2,400 units were sold to customers on top of the first generation "i.care Box" sales of 110,000 units.



*More than 2,400 units of the new "i.care Box" with three compartments were sold during its launch on Berjaya Founder's Day 2015.*

In June 2014, BStarbucks launched its second Community Edible Garden at Starbucks Drive-Thru Setia Alam, Selangor to educate the public on ways to create an edible garden at home besides learning about the various plants and planting techniques.

Under the "Grounds For Your Garden" programme, BStarbucks provided an average of 1,088 packs of complimentary soil-enriching coffee grounds, approximately 735 kilograms in total, to its customers on a monthly basis as part of the company's recycling initiatives.

BStarbucks also introduced the "Bring Your Own Tumbler" programme to decrease the usage of disposable cups and help conserve the environment. In conjunction with Earth Hour 2015 held in March 2015, 191 Starbucks stores turned off their lights for one hour in support of the energy saving initiative and a special promotion was offered to customers who brought their own Starbucks' tumblers.



*Residents from Setia Alam participated in the second Community Edible Garden workshop at Starbucks Drive-Thru Setia Alam, Selangor.*



*In conjunction with Earth Hour 2015, BStarbucks rewarded customers with discounts through the "Bring Your Own Tumbler" programme.*

## **Group Synergy**

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

During the 5th Berjaya Founder's Day celebrated on 28 March 2015 at Berjaya Times Square, Kuala Lumpur, BRoasters assisted in coordinating more than 15 carnival food stalls catering to more than 20,000 Berjaya employees and their family members. BRoasters also contributed 1,000 sets of KRR's quarter lite meals while BStarbucks contributed RM40,000 worth of beverages and merchandise. The highlight of the event was the contribution of RM20.08 million to 79 charitable organisations by Berjaya's founder, Tan Sri Dato' Seri Vincent Tan, his Better Malaysia Foundation and Berjaya Cares Foundation.

# EXECUTIVE CHAIRMAN'S STATEMENT

## FUTURE PROSPECTS

The Malaysian economy expanded by 4.9% in the second quarter of 2015 driven by strong private consumption and private investment. However, the implementation of the Goods & Services Tax in April 2015 as well as the weakening of the Ringgit Malaysia against the US Dollar had weakened consumer spending moving into the third quarter of 2015.

Despite the moderating economic outlook, the Group will continue to persevere with its growth plans, with BStarbucks as the major revenue contributor for the Group. To advance future growth, the Group will continue its restaurant expansion strategy in local and overseas markets at potential locations with high consumer spending patterns.

Locally, the Group will open more new restaurants in the markets that the Group is operating in to strengthen its brand equity and market share. As at 30 April 2015, BRoasters has opened 100 restaurants nationwide, and will continue its restaurant expansion plans, targeting new restaurants in secondary townships in the financial year 2016. BStarbucks currently has more than 190 Starbucks stores and plans to open more new stores during the year, including more drive-thru concept stores.

Overseas, the Group sees potential growth in the ASEAN region. BRoasters will continue to build the KRR brand in countries such as Indonesia and Cambodia, and increase its market share among the food and beverage players there. The Group is confident of BStarbucks' growth prospects as the largest premium coffee chain in the country and will continue to expand its growth in neighbourhood countries such as Brunei Darussalam where there are already 3 Starbucks stores opened as at 30 April 2015.



The Group has expanded KRR restaurants locally and overseas with 100 restaurants currently in Malaysia, 27 restaurants in Indonesia and 1 restaurant in Cambodia.



Jollibean's outlet in Junction 8 shopping mall located at Bishan, Singapore.

Besides its on-going expansion plans, the Group will continue to focus on human capital development and strengthen its internal productivity plans. Overall, the Group's food and beverage businesses will continue to improve on their innovative and reasonably priced menu offerings, leverage sales through dynamic marketing & promotion plans and loyalty programmes, and expand their customer bases through e-marketing and social media platforms. The Group will continue to pare down its debts from BStarbucks' strong cash flow generation and at the same time expand the income streams from its existing business to remain competitive.

## APPRECIATION

On behalf of the Board, I would like to express my gratitude to our loyal customers and business partners for their continuous support.

My heartfelt appreciation goes to my fellow colleagues on the Board, the management teams and the front line staff of each company under the Group. They are the pillars of strength for the Group's achievements thus far, and their commitment will continue to lead the Group to more successes in the future.

I would like to take this opportunity to thank Datuk Idris Hashim, who resigned as Non-Independent Non-Executive Director on 22 December 2014, for his commitment during his tenure on the Board.

**Dato' Sri Robin Tan Yeong Ching**  
Executive Chairman

19 August 2015

# 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.

With the opening of 13 new restaurants in the financial year under review, BRoasters now has a total of 100 KRR restaurants across Malaysia and plans to grow 8 to 10 new restaurants in view of the current weak economic sentiment.



The first few local celebrities who now own a KRR Card each.

## 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 27 KRR restaurants across Indonesia in Surabaya, Medan, Jakarta, Tangerang, Bogor, Bekasi and Cirebon.

### Revenue

PT Boga registered a revenue increase of 6% from RM12.4 million in the previous financial year to RM13.3 million in the financial year ended 30 April 2015. The increase was mainly due to the opening of 3 new restaurants during the financial year.



KRR restaurant located in AEON Mall BSD City at Tangerang, Indonesia.

### Revenue

Revenue for BRoasters increased to RM101.9 million from RM96.0 million in the previous financial year. The increase in sales was mainly due to the additional revenue contribution from the opening of 13 new restaurants during the year.

### Profit Before Tax

BRoasters' profit before tax decreased to RM9.5 million from RM12.1 million in the previous financial year mainly due to an increase in operating expenses and depreciation, reduction in interest income and also impairment of certain property, plant and equipment during the year.

### 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 and lower entry price meals to its menu. It will also offer promotions at a lower price and promote usage of the KRR reload card to encourage consumer spending. It will focus on e-marketing to target teenagers and young working adults.

### Loss Before Tax

Loss before tax increased to RM14.3 million for the financial year ended 30 April 2015 compared to RM5.5 million loss in the previous financial year. The increase was mainly due to higher imported food cost resulting from the appreciation of the US Dollar and higher operating costs as well as impairment and write off of certain property, plant and equipment.

### Business Strategy & Future Prospects

PT Boga aims to reduce its non-profitable restaurants and focus on reducing controllable expenses. It will introduce new menus with more variety as well as strengthen its marketing & promotion strategies.

# MANAGEMENT DISCUSSION & ANALYSIS

## 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 now a 100%-owned subsidiary following the completion of the acquisition of the remaining 50% equity interest from Starbucks Coffee International, Inc (“SCI”) on 18 September 2014.

BStarbucks currently has more than 190 Starbucks stores across Malaysia.

### Profit Before Tax

Despite the cautious consumer spending sentiment, profit before tax increased to RM52.6 million for the year under review compared to RM50 million last year. The increase in profit before tax was attributed to its ongoing cost management strategy.

### Business Strategy & Future Prospects

BStarbucks continues to strive to maintain high growth by targeting to open another 25 new stores including drive-thru concept stores which were 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.



Starbucks Waterfront is one of the drive-thru stores in Malaysia located at Port Dickson, Negeri Sembilan.



BStarbucks offered free Starbucks VIA Latte outdoor sampling to the public in January 2015.

### Revenue

BStarbucks registered a revenue increase from RM301.4 million in the previous financial year to RM346.5 million in the financial year ended 30 April 2015, mainly due to the store expansion from 170 stores to 193 stores.

The Starbucks loyalty card programme continued to register a strong card transaction usage of 44% contributing a total of RM153.6 million to revenue as compared to the previous year at a total of RM139.9 million. The launch of the special limited edition Starbucks Sterling Card and other new designs contributed to the strong card usage.

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.

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.



# MANAGEMENT DISCUSSION & ANALYSIS

## BERJAYA FOOD SUPREME SDN BHD

### Overview

Berjaya Food Supreme Sdn Bhd (“BFS”) was incorporated in Brunei on 24 September 2013. It is 80%-owned by Berjaya Food (International) Sdn Bhd.

The first Starbucks store in Brunei was opened in Mabohai Shopping Complex on 16 February 2014. In addition, the company successfully opened its first drive-thru store in Beribi, Brunei on 7 September 2014. In January 2015, the third store was opened in the Brunei Muara District.

Currently there are 3 Starbucks stores in Brunei; 2 core stores and 1 drive-thru concept store. The drive-thru concept store provides customers the option to enjoy their favourite coffee on the go, or at the store.



Starbucks Brunei launched its Starbucks Reward Card in February 2015.

## 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” and “Kopi Alley”.

Jollibean Foods has 48 outlets in Singapore and is looking to spread its wings further by expanding to overseas markets in the near future.



The sushi platter offers by Sushi Deli.

### Revenue

BFS registered an increased revenue of RM5.3 million from RM1.7 million in the previous financial year to RM7.0 million in the financial year ended 30 April 2015.

The increase in revenue was mainly contributed by the 2 new stores opened in the financial year under review.

### Profit Before Tax

Profit before tax increased to RM1.0 million for the year under review compared to RM0.3 million last year, in line with the increased revenue.

### Business Strategy & Future Prospects

BFS will continue its store expansion plans, its innovative food and beverage offerings, and strategic programmes to build and retain customer loyalty.

### Revenue

Jollibean Foods recorded revenue of S\$14.5 million compared to S\$14.7 million in the previous financial year. The slight decrease was primarily due to softer demand and new competitors.

### Loss Before Tax

Jollibean Foods recorded a loss before tax of S\$0.08 million compared to profit before tax of S\$0.8 million last year. The loss was primary due to lower sales, new outlets with higher rents not achieving the minimum sales projection, rising manpower cost, higher depreciation due to capital expenditure on new outlets and refurbishment of one existing outlet.

# MANAGEMENT DISCUSSION & ANALYSIS

## 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. 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.

Due to high rising rents in Singapore, it will also explore the possibility of blending 2 or 3 concepts together at one location, subject to various factors and availability. There is also potential of expanding more Kopi Alley outlets. In terms of site development, it will search for potential locations actively for business growth and replacement of some of the existing poor performing outlets.

## BERJAYA JOLLIBEAN (M) SDN BHD

### Overview

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.



Jollibean's top sales outlet is located at Raffles Place MRT station in Singapore.



BJollibean opened its first kiosk at Berjaya Times Square.

Jollibean Foods will continue to strengthen its brand name in Singapore and will be looking out for suitable franchisees to go beyond Singapore. It will strive to stay relevant amidst 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 to its customers. Jollibean Foods is also committed to ethical and environmentally conscious practices.

In the financial year 2016, Jollibean Foods is looking at introducing new products such as the J Yuen series and the Tofu Cheese Tart to target the younger market. There will be improvement in terms of visibility of its product showcase. For instance there will be glass decals and stickers on the pudding chillers for product awareness. To suit the demanding market, new Sushi items will be introduced on a regular basis, including changes and addition of various categories to enhance the displays and appearances.

### Revenue

BJollibean recorded an increase in revenue to RM0.4 million from RM0.10 million in the previous financial year. The increase in revenue was due to the various tactical marketing programmes implemented, such as Buy Five Free One (B5F1) for Puddings, Buy One Free One (BOFO) Classic Soy Milk on Mondays and Free Toppings Thursdays.

### Business Strategy & Future Prospects

The outlook for Jollibean is positive as there is potential for growth especially when more outlets and more branding activity communicates the goodness of its high-pressure soy milk extracted from high quality imported non-GMO soy beans. This enables Jollibean to claim as the soy milk brand that only serves quality fresh soy milk to customers.

# AWARDS, MENU OFFERINGS AND MARKETING & PROMOTIONS

## AWARDS RECOGNITION

The awards received over the years since 2011 have marked the achievement and recognition in many areas. Apart from annual charitable events, Kenny Rogers Roasters (“KRR”) continues its efforts with numerous CSR initiatives. In recognition of its social work with the Malaysian community, KRR was awarded the title of Best Franchise Corporate Social Responsibility Award in the Malaysia Franchise Awards 2014.

The active participation of KRR in the social sphere through Facebook and Instagram has received great attention in the social media platform. KRR bagged the Social Media Excellence Award under Food & Beverage category in the World Bloggers & Social Media Awards 2015.

Starbucks Malaysia which has always emphasised on its human capital development received two significant awards. During the financial year, Starbucks Malaysia received the Gold Award of HR Best Practices in the Malaysia HR Awards 2014 by the Malaysian Institute of Human Resource Management (“MIHRM”). The award is supported and endorsed by the human resources community, with the honorable Minister of Human Resources as patron.

Another significant award received was the “Best of the Best” title at the Aon Hewitt Best Employers – Malaysia 2015 Awards. Aon Hewitt Best Employers Award is one of the most prestigious awards in recognizing companies with high employee engagement, compelling employer brand, effective leadership and high performance culture.

Starbucks Malaysia was also awarded the Outstanding Entrepreneurship Award at the Asia Pacific Entrepreneurship Awards 2014 and received the Summer Sales Award at Starbucks China & Asia Pacific Marketing & Category Brand Forum held in Hong Kong for being the top sales country for the Starbucks Frappuccino Blended Beverage during the summer campaign.



Starbucks Malaysia received the Gold Award for HR Best Practices at the Malaysia HR Awards 2014.



Berjaya Roasters received the Best Franchise Corporate Social Responsibility Award from Y.B. Dato’ Sri Hasan Malek, Minister of Domestic Trade, Cooperatives and Consumerism at the Malaysia Franchise Awards 2014.



Starbucks Malaysia received the prestigious “Best of the Best” award at the Aon Hewitt Best Employers – Malaysia 2015 Awards.



Kenny Rogers Roasters’ team at the World Bloggers & Social Media Awards 2015 to receive the Social Media Excellence Award under Food & Beverage category.



Starbucks Malaysia received the Outstanding Entrepreneurship Award at the Asia Pacific Entrepreneurship Awards 2014, which is accredited to be the most prestigious award in the region.

# AWARDS, MENU OFFERINGS AND MARKETING & PROMOTIONS

## HEALTHY TASTE BUDS MENU OFFERINGS

The Group strives to create innovative menu offerings constantly to keep up with the competitive food & beverage choices available in the market. KRR is well-known as a wholesome and healthy meal provider. KRR introduced new items to its seasonal food promotions such as Beef N' Reef, Flamin' Spicy Chicken, Terrific Teriyaki Treat, and more.

Apart from serving wholesome chicken dishes, KRR also introduced new ways to advocate healthy eating throughout the day by introducing All Day Snack promotion offerings – a menu that allows for healthy bites between main meals.

To provide a variety of selection, KRR introduced more than 10 offerings that are suitable for both meat and non-meat lovers. The new additions to the permanent menu include Spicy Asian Pasta Salad, Cheezy Bowl, Kenny's Chicken Porridge, Kenny's Chicken & Pasta Meal, Texas Tortilla Wrap Meal, Vegelicious Tortilla Wrap Meal and more. In addition, KRR also introduced their very own Lite Up Your Lunch promotion to cater to those who opt for lighter meals.

In conjunction with the festive season promotions, two more unique flavours were added to its iconic range of muffins – TripleChoc Almond and Cranberries Snow for Christmas celebration. Kenny's Cherish Meals were introduced for Chinese New Year celebration, which featured its signature Grilled Black Pepper Chicken in four enticing meal variations including Golden Treasure Platter, Soupreme Treasure Platter, Souperior Rice Casserole and Souperior Spaghetti Casserole.

As a premium coffee company, Starbucks consistently introduces innovative offerings in order to maintain its position as a dominant player in the industry. It always has festive season promotions for traditional celebrations like Mid-Autumn Mooncake Festival and Lunar New Year. Starbucks Mooncake was introduced in five flavours such as Chewy Nutty Cranberry, Green Tea Azuki, Apricot Hazelnut Latte, Banana Chocolate and Durian. To celebrate the Lunar New Year, Starbucks introduced the exclusive assorted pineapple tarts with a twist of three new flavours in pineapple, chocolate strawberry and green tea blueberry. It also introduced coffee wafer rolls which was another must-have delicacy for family gatherings during this occasion.



KRR makes its mark in the Malaysian landscape and celebrates the diversity of Malaysia's culture and history with its "My Rhythm of Life" limited edition soup mugs, featuring iconic buildings, musical instruments, traditional games and traditional transportation in its design.



Starbucks Mooncake was introduced with a unique blend of fusion Japanese and modern western flavours.



KRR introduced Kenny's Cherish Meals in conjunction with the Chinese New Year celebration.



Starbucks Malaysia introduced traditional delicacies like the assorted pineapple tarts and coffee wafer rolls for the Lunar New Year celebration.

# AWARDS, MENU OFFERINGS AND MARKETING & PROMOTIONS

To elevate a perfect espresso bliss experience, Starbucks Malaysia introduced the new Starbucks Affogato, a delectable coffee-based dessert, which features imported creamy ice-cream infused with the signature espresso roast. Starbucks Affogato offers a choice of chocolate, vanilla or pistachio ice-cream topped with Starbucks' Signature Espresso Roast and dusted with chocolate chips, chocolate sauce, caramel sauce or the limited time offering condiments.

Jollibean Malaysia which offers soy-based products has added more flavours into its signature soy milk and other soy-based snacks such as soy pudding, crisp pancake and street pancake – Mee Chiang Kueh. The classic soy milk with mixed flavours such as grass jelly, ginger, mocha latte, almond, chocolate and coffee, provides more options to customers. The crisp pancake, a soy-based snack with fillings, offers peanut, red bean and chicken floss fillings.

The street pancake – Mee Chiang Kueh is now available in kaya, chocolate, pineapple and green bean flavours besides its existing peanut and red bean flavours. To add more variety of street snacks, Cendol, a common yet favourite cold street snack will be added to its menu with a twist blend of soy-based ingredients.

In Singapore, Jollibean Foods introduced its festive season promotions for Christmas and Chinese New Year celebrations. Jollibean brought joy with its Jolli Christmas combo, which consisted of a classic soy milk and Cheesy Raisin Maru. Sushi Deli, another brand operating under Jollibean Foods, introduced its prosperity Fa Cai Yu Sheng for the first time for the Chinese New Year celebration.



Jollibean crisp pancake.



Jollibean Foods' festive season promotions.



Jollibean soy pudding.



The Starbucks Affogato – A coffee-based ice-cream topped with Starbucks Signature Espresso Roast introduced to customers for a perfect espresso bliss experience.

# AWARDS, MENU OFFERINGS AND MARKETING & PROMOTIONS

## MARKETING & PROMOTIONS

The Group's ongoing marketing & promotions offers help to attract new customers, retain customer loyalty, promote brand awareness and increase revenue for the Group. The various brands under the Group use different promotional strategies such as discounted promotional items, merchandise, menu packages, launch events, sponsorships and digital media to reach out to the targeted customers.

In December 2014, Berjaya Roasters (M) Sdn Bhd ("BRoasters") hosted 62 delegates of Miss Tourism International 2014 to a sumptuous treat of its signature healthy dishes, including the signature rotisserie-roasted chicken. It was an overwhelming beginning for BRoasters with a series of celebration activities. BRoasters in conjunction with its 100th restaurant milestone, launched a new mobile phone application named ROASTERS Frenzy to reward the guests in a fun and interactive way. Attractive prizes including daily rewards, tech gadgets, and holiday stays as well as the grand prize, a brand new Mazda 2 Skyactiv were given away to customers who took part in the 100-day long campaign.

At the 6th annual ROASTERS Eating Day (RED) event, BRoasters celebrated the victory of Malaysia's very own Junior Squash Team that won the 17th Asian Junior Squash Team Championship. Four gold medal winners were invited for a sumptuous KRR meal. To celebrate its 20th anniversary, BRoasters has launched its limited edition Soup Mug Collection series – My Rhythm of Life, the KRR Journal and the KRR Card, a stored value and loyalty card which rewards customers with bigger bonuses for being a loyal customer.

BRoasters continued to advocate healthy living by organizing the 9th ROASTERS Health Watch ("RHW") challenge which targeted customers who were in their twenties with a goal to inculcate a healthy lifestyle. Throughout the 8-week challenge, BRoasters provided participants with KRR meals up to three times a week. Participants were given a diet plan incorporated with KRR meals by a consultant dietician. They were also trained with workout routines at Sports Toto Fitness Centre. Each participant was assigned with a customized personal training programme. RHW has become an iconic symbol of KRR in advocating a healthy lifestyle since its first launch in 2006.



Ke Qing (6th from left), multi-talented singer and actress, and Fiqrie (7th from left), radio DJ from Red FM, leading all 10 participants for ROASTERS Health Watch 2014.



Malaysia's Junior Squash Team proudly showcased their winning medals and trophies in celebration of ROASTERS Eating Day (RED).



Kenny Rogers Roasters' mascot with Dato' Francis Lee, Group Executive Director of Berjaya Roasters (M) Sdn Bhd presented the grand prize to Mohammad Fadhli bin Yaakub who won the ROASTERS Frenzy campaign together with Lee Siew Weng, Senior General Manager of Berjaya Roasters (M) Sdn Bhd.



All 62 delegates of Miss Tourism International 2014 were invited for a treat at the KRR restaurant in Berjaya Times Square.

# AWARDS, MENU OFFERINGS AND MARKETING & PROMOTIONS

In June 2014, Berjaya Starbucks Coffee Company Sdn Bhd (“BStarbucks”) launched the Starbucks Mobile Application in all its stores nationwide to allow customers to pay for their in-store purchases with their smartphones. In addition, this mobile application allows customers to track and view their purchases, check on card credit balance, reload card credit via credit card, check their stars at My Starbucks Rewards™ and it also has a Starbucks store locator.

BStarbucks launched the Starbucks VIA Latte with base jumpers at the Kuala Lumpur Tower open deck in September 2014. BStarbucks was the official coffee sponsor for the KL Tower International Jump Malaysia 2014 for three consecutive years. Free sampling activities were held in the local parks at four locations within Klang Valley to promote the convenience of “coffee-on-the-go” message to the public in January 2015. More than 1,000 cups were given out to the public to sample the instant premium coffee. A Starbucks VIA Latte booth was set up for customers to purchase the product at a special price.

In January 2015, Starbucks’ tumblers and mugs customized with the zodiac animal Ram were launched as part of its festive merchandise to usher in the year of Ram. The Lunar New Year Starbucks Card was also introduced to customers in conjunction with the Lunar New Year celebration.

During the summer season in April 2015, a summer preview was launched to showcase the summer merchandise and the Starbucks summer card. Samplings on two new Frappuccino flavors – Summer Berry Panna Cotta and Dark Mocha Panna Cotta were also offered at the preview.

BStarbucks also rewarded customers with movie tickets to “The Avengers – Age of Ultron” through its Starbucks Summer Movie Screening, when they topped up RM150 on the Starbucks Card. The free movie screenings took place at TGV Cinemas in Selangor, Penang and Johor. Besides free samplings of summer beverages, customers who dressed up in the best superhero costumes were awarded with a best-dressed award.



The Starbucks Card Mobile Application was launched in June 2014 to bring convenience to customers.



Starbucks Malaysia launched a wide selection of tumblers & mugs to usher in the year of Ram.



Starbucks Malaysia launched Starbucks VIA Latte with base jumpers at the Kuala Lumpur Tower open deck.



Starbucks Malaysia launched the Lunar New Year Starbucks Card with the Ram zodiac design.

# AWARDS, MENU OFFERINGS AND MARKETING & PROMOTIONS

During the year, Berjaya Jollibean (M) Sdn Bhd (“BJollibean”) collaborated with new partners to offer a 10% discount to members of Sunway Skate Club and staff from Sunway Leisure Sdn Bhd and Sunway Pyramid. Tactical marketing programmes were implemented to increase revenue such as Buy Five Free One on soy pudding, Mondays Buy One Free One on classic soy milk and Thursday Free Toppings.

Besides the promotions on free items, BJollibean sponsored free soy milk worth RM2,000 for Sports Toto FTKLAA Cross Country event organized by the Federal Territory Kuala Lumpur Athletic Association and co-organized by Sports Toto Malaysia Sdn Bhd in January 2015. Vouchers were given out during the event to create brand awareness. To support brand affiliation efforts and promote the loyalty programme initiative, BJollibean continues to be an affiliated brand for Berjaya Card’s (“BCARD”) loyalty programme.

In Singapore, Jollibean Foods Pte Ltd (“Jollibean Foods”) initiated below-the-line and above-the-line marketing mix promotional strategies such as posters, flyers, website postings and Groupon promotions. Jolli Christmas, a menu combo package was introduced for the Christmas celebration. Sushi Deli introduced the “Fa Cai Yu Sheng” promotion sold through Groupon Singapore at an attractive price. It was also available through Room Service Singapore, an online delivery service portal.

Special promotions on Jollibean’s soy-based products were sold through Groupon Singapore to generate higher sales. A movie tickets give-away was introduced with a minimum purchase of SGD8 for a lucky-dip chance. 100 pairs of movie tickets were given away with this promotion. To celebrate Singapore’s 50th National Day, a series of “SG50” promotions was introduced for the first time.

In February 2015, Jollibean Foods involved in digital media and launched its Facebook page for Sushi Deli and Jollibean. An escalator advertisement was published at Nex Mall, Singapore to promote the brand awareness for Jollibean.



*BJollibean offered discount promotions on its various soy-based products.*



*100 pairs of movie tickets were given away by Jollibean Foods during the March promotion.*



*Jollibean Foods partnered with Room Service Singapore for its promotion offered by Sushi Deli.*



*Jollibean Foods offered “SG50” promotions in conjunction with Singapore’s 50th National Day.*



# AWARDS, MENU OFFERINGS AND MARKETING & PROMOTIONS

## OVERSEAS OPERATIONS

BStarbucks has expanded its operations overseas to Brunei with the first store opened at Mabohai Shopping Complex located at Bandar Seri Begawan in February 2014. The store's design concept reflects the 43-year coffee heritage and also the culture of local Brunei handcrafted bamboo weaving baskets. It features a traditional coffee bar known as "slow bar" which allows customers to savour their coffee using the "pour over" brewing method.

In September 2014, Starbucks Brunei opened its first drive-thru concept store in Beribi to bring convenience to customers to enjoy their favourite coffee on the go. The store's design concept is based on regional modern featuring Semangkok woodwork and the wooden planks were made of recycled pallet wood. The store has 6,329 sq ft overall and seating capacity of approximately 185 customers combined with indoor and outdoor seatings. It was the second store opened in Brunei.

In January 2015, Starbucks Brunei opened its third store located at Jalan Tutong in the Brunei Muara District. The location is away from the town area which has provided better access to residents who live in the secondary township area. The store's design concept is based on resort modern featuring Semangkok woodwork and the wooden planks were made of recycled pallet wood. The new store also features woven basket lights that are distinctive and refines the concept of the store. The store has 1,968 sq ft overall and seating capacity of approximately 70 customers.

Starbucks Brunei celebrated its first anniversary in February 2015.



The Starbucks teams from Malaysia and Brunei got together for a celebration party in February 2015.



Cake cutting ceremony during the first anniversary celebration at Starbucks Mabohai Mall in Brunei.



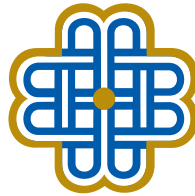
Starbucks Brunei team celebrates its first anniversary of operation.



Starbucks Brunei has potential growth with three stores in operation within a year.

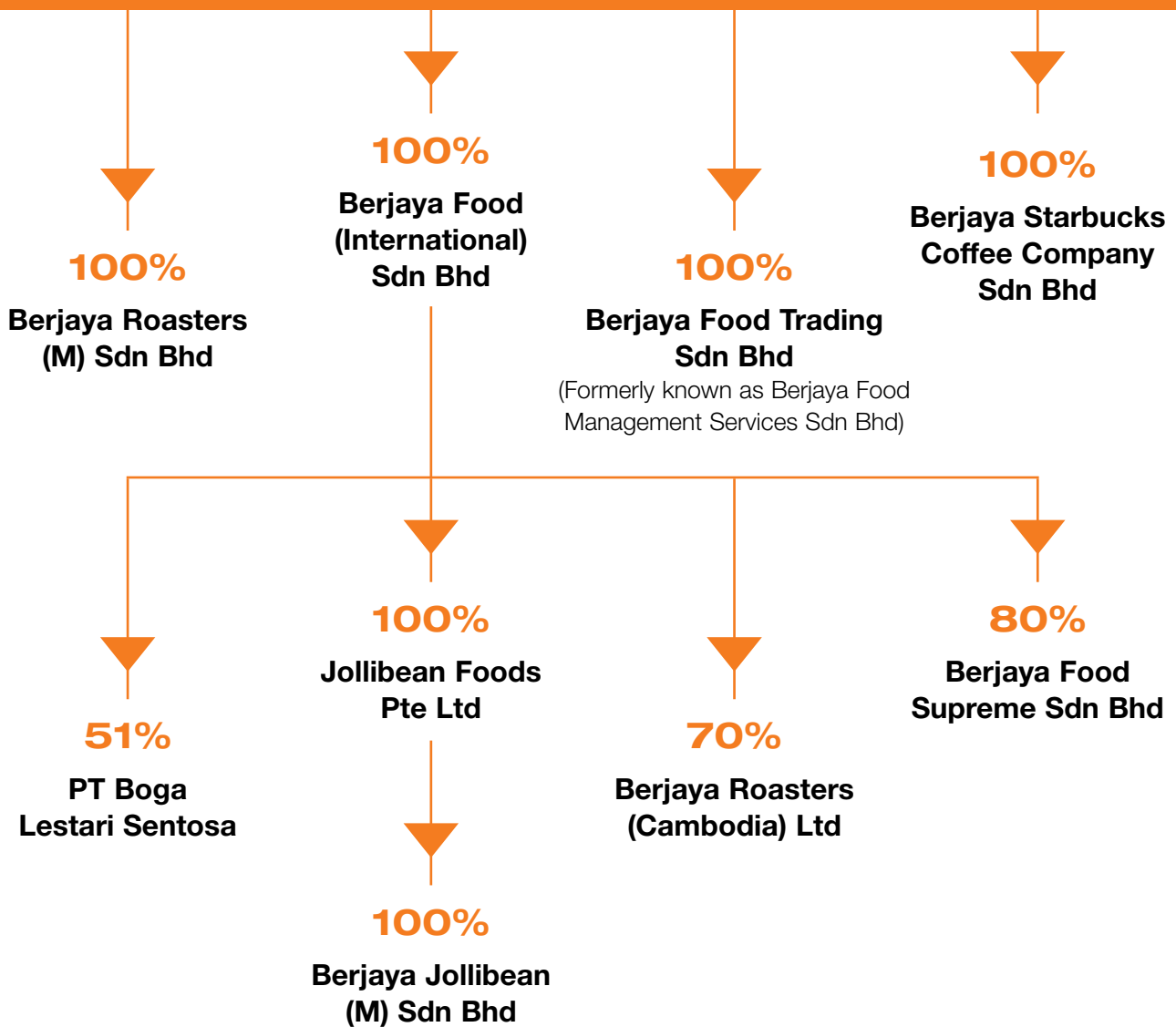
# CORPORATE STRUCTURE

AS AT 3 AUGUST 2015



**BERJAYA**

**BERJAYA FOOD BERHAD**



# GROUP FINANCIAL SUMMARY

DESCRIPTION	2015 USD'000	2015 RM'000	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
Revenue	106,285	376,780	150,369	121,915	88,598	71,938
Profit Before Tax	51,557	182,769	24,573	21,395	14,635	12,575
Profit For The Year	48,265	171,099	20,113	17,283	10,984	10,193
Profit Attributable To Shareholders	50,091	177,574	22,669	18,628	11,126	10,193
Share Capital #	52,789	187,137	134,556	130,522	71,738	70,883
Reserves #	58,472	207,282	28,231	12,226	(15,667)	(20,090)
<b>Net Equity Funds</b>	<b>111,261</b>	<b>394,419</b>	<b>162,787</b>	<b>142,748</b>	<b>56,071</b>	<b>50,793</b>
Non-controlling Interests	(1,869)	(6,626)	(641)	1,082	2,533	–
<b>Total Equity</b>	<b>109,392</b>	<b>387,793</b>	<b>162,146</b>	<b>143,830</b>	<b>58,604</b>	<b>50,793</b>
Long Term Liabilities	55,956	198,363	5,151	5,071	4,097	2,982
Current Liabilities	36,128	128,076	25,543	18,164	16,670	10,507
<b>Total Equity and Liabilities</b>	<b>201,476</b>	<b>714,232</b>	<b>192,840</b>	<b>167,065</b>	<b>79,371</b>	<b>64,282</b>
Property, Plant and Equipment	43,866	155,504	38,899	30,236	25,335	19,010
Intangible assets	126,183	447,321	16,088	16,008	1,340	986
Investment and Other Non-Current Assets	1,194	4,232	94,543	80,144	108	–
Current Assets	30,233	107,175	43,310	40,677	52,588	44,286
<b>Total Assets</b>	<b>201,476</b>	<b>714,232</b>	<b>192,840</b>	<b>167,065</b>	<b>79,371</b>	<b>64,282</b>
Net Assets Per Share (US\$/RM)	0.30	1.05	0.60	0.55	0.39	0.36
Net Earnings Per Share (Cents/Sen)	15.35	54.41	8.58	8.17	7.83	7.21
Dividend Rate (%)	11.50	11.50	8.50	7.00	9.00	6.00
Net Dividend Amount (USD'000/RM'000)	6,051	21,451	11,651	9,161	6,433	4,257

## Notes:

Figures for 2011-2015 are for 12 months ended 30 April. Where additional shares are issued, the earnings per share are calculated based on a weighted average number of shares.

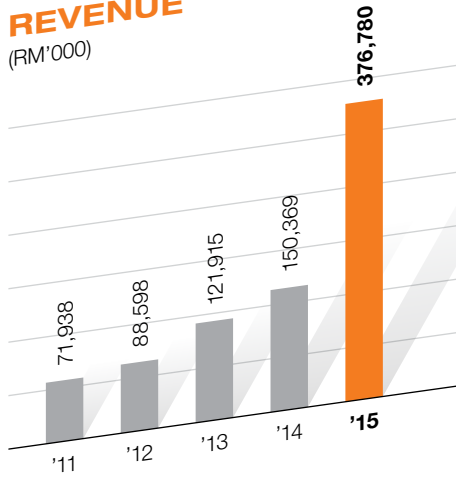
# In applying merger method of accounting, comparative figures in the consolidated financial statements are restated as if the issue of shares for the acquisition of Berjaya Roasters (M) Sdn Bhd had taken place as at the earliest date presented.

Exchange rate: US\$1.00 = RM3.545

# GROUP FINANCIAL HIGHLIGHTS

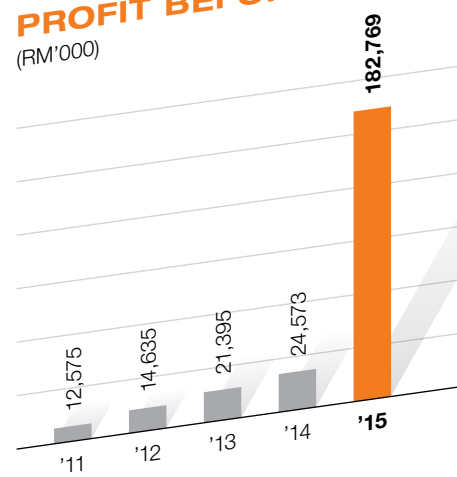
## REVENUE

(RM'000)



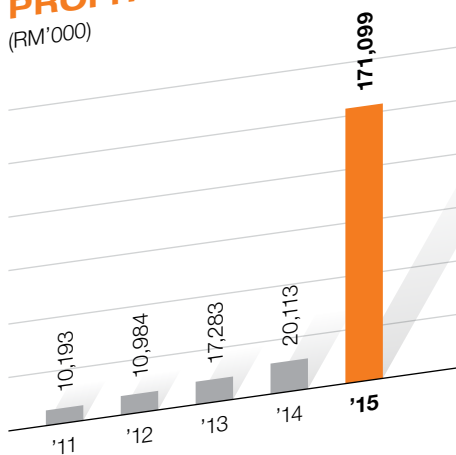
## PROFIT BEFORE TAX

(RM'000)



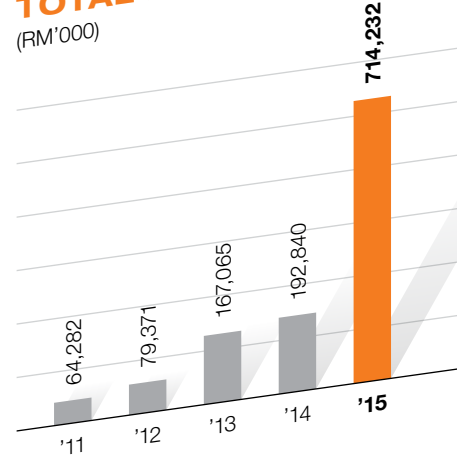
## PROFIT FOR THE YEAR

(RM'000)



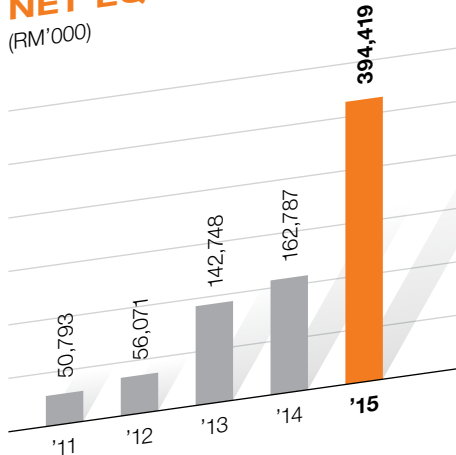
## TOTAL ASSETS

(RM'000)



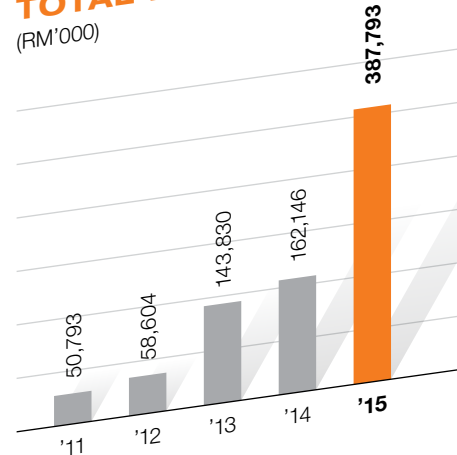
## NET EQUITY FUNDS

(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.

# STATEMENT ON CORPORATE GOVERNANCE

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 Secretaries play 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](http://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 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 Chairman of the Nomination Committee, Datuk Zainun Aishah Binti Ahmad, has been identified as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed.

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

#### Appointment to the Board and Re-election of Directors

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 merits. 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 also responsible for recommending to the Board those Directors who are eligible to stand for re-election/re-appointment.

#### Annual Assessment

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 2015, 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.

# STATEMENT ON CORPORATE GOVERNANCE

## Boardroom Diversity

The Board acknowledges the importance of gender, age, nationality, ethnicity and socio-economic background diversity and recognises the benefits that it can bring. The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority.

The Company does not set any specific target for boardroom diversity but will actively work towards achieving the appropriate boardroom diversity.

Currently, the Board has two (2) female Directors out of six (6) Directors, representing 33% 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' Sri 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 2015 are as follows:-

	RM				
	FEES	SALARIES AND OTHER EMOLUMENTS	BONUS	BENEFITS IN-KIND	TOTAL
Executive	13,195	752,958	65,882	17,100	849,135
Non-Executive	79,397	10,800	–	–	90,197
	<b>95,592</b>	<b>763,758</b>	<b>65,882</b>	<b>17,100</b>	<b>939,332</b>

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	–
	<b>1</b>	<b>3*</b>

\* Inclusive of a Non-Independent Director who resigned on 22 December 2014.



# 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 also holding an executive position and he is responsible for the executive function of the management of the Company's 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 subsidiaries of the Company, namely, Berjaya Starbucks Coffee Company Sdn Bhd and 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, the existing Non-Independent Non-Executive Directors 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.

### 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 six (6) members comprising the Executive Chairman, the CEO, two (2) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. The profiles of the Directors are set out on pages 3 to 6 of this Annual Report.

The Board is satisfied with the current composition and size of the Board which provides sufficient diversity and yet allow for effective decision making. The present composition of the Board is also in compliance with Chapter 15.02 of the Listing Requirements of Bursa Securities of at least 1/3 of its members being Independent Directors.

# STATEMENT ON CORPORATE GOVERNANCE

## 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 2015, the Board met six (6) times and the attendances of the Directors at the Board meetings are as follows:-

DIRECTORS	ATTENDANCE
Dato' Sri Robin Tan Yeong Ching	6/6
Dato' Lee Kok Chuan	6/6
Tan Thiam Chai	6/6
Dato' Zurainah Binti Musa	6/6
Datuk Zainun Aishah Binti Ahmad <sup>#</sup>	6/6
Dato' Mustapha Bin Abd Hamid <sup>#</sup>	6/6
Datuk Idris Bin Hashim (resigned on 22 December 2014)	4/5

<sup>#</sup> Denotes Independent Non-Executive Director

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.

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

DIRECTORS	SEMINARS/CONFERENCES/FORUM
Dato' Sri Robin Tan Yeong Ching	<ul style="list-style-type: none"> <li>- Forbes Asia Forum: The Next Tycoons – A Generation Emerges</li> <li>- Customised Advocacy Session for Directors by Bursa Malaysia Securities Berhad</li> </ul>
Dato' Lee Kok Chuan	<ul style="list-style-type: none"> <li>- Education Seminar: Overview of Environmental, Social &amp; Governance Index and Industry Classification Benchmark</li> <li>- Customised Advocacy Session for Directors by Bursa Malaysia Securities Berhad</li> </ul>
Tan Thiam Chai	<ul style="list-style-type: none"> <li>- Appointment of ACCA Approved Employer: Trainee Development, Gold</li> <li>- Customised Advocacy Session for Directors by Bursa Malaysia Securities Berhad</li> </ul>
Dato' Zurainah Binti Musa	<ul style="list-style-type: none"> <li>- Financial Essentials for Non Professionals</li> <li>- Asean Corporate Governance Scorecard</li> </ul>
Datuk Zainun Aishah Binti Ahmad	<ul style="list-style-type: none"> <li>- Board Chairman Series: The role of the Chairman</li> <li>- Directors' Continuous Education Programme</li> <li>- Nominating Committee Programme 2: Effective Board Evaluation</li> <li>- Managing Business Risk and Creating Opportunities with Goods and Services Tax Implementation</li> </ul>

# STATEMENT ON CORPORATE GOVERNANCE

## DIRECTORS

Dato' Mustapha Bin Abd Hamid

## SEMINARS/CONFERENCES/FORUM

- Advocacy Session on Corporate Disclosure
- Nominating Committee Programme 2: Board Effectiveness and Succession Planning
- Customised Advocacy Session for Directors by Bursa Malaysia Securities Berhad
- 3rd OIC-Asia Trade & Economic Forum 2014

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.

## 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 37 to 40 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.

# STATEMENT ON CORPORATE GOVERNANCE

## 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 35 to 36 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](http://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](http://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 Senior 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

In line with the MCGG 2012, all the resolutions passed by the shareholders at the previous AGM and its Extraordinary General Meeting held on 17 September 2014 were voted by way of a poll. The shareholders were briefed on the voting procedures by the Share Registrar while the results of the poll were verified and announced by the independent scrutineer, Ernst & Young.

### 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](http://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 2015.

## 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 2015. 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 Senior 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 2015 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 2015;
- (c) Reviewed and discussed with the External Auditors the results of the audit of the Financial Statements and their report thereof;
- (d) Reviewed the internal audit reports presented and considered the major findings of internal audit in the operating subsidiaries of the Group 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 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 the financial year 2016; and
- (i) Reviewed the circular to shareholders in connection with the recurrent related party transactions.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## 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.

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 2015 with information as follows:-

	<b>DURING THE FINANCIAL YEAR ENDED 30 APRIL 2015</b>	
Total number of options granted	1,250,000	
Total number of options exercised	3,023,640	
Total options outstanding	2,418,120	
<b>GRANTED TO DIRECTORS</b>		
<b>DURING THE FINANCIAL YEAR ENDED 30 APRIL 2015</b>		
Aggregate options granted	-	
Aggregate options exercised	613,600	
Aggregate options outstanding	385,660	
	<b>DURING THE FINANCIAL YEAR ENDED 30 APRIL 2015</b>	<b>SINCE COMMENCEMENT OF THE ESOS ON 8 MARCH 2011</b>
<b>GRANTED TO DIRECTORS &amp; SENIOR MANAGEMENT</b>		
Aggregate maximum allocation in percentage	68.00	36.45
Actual percentage granted	7.29	36.45

## 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 unit 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 unit 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, "Jollibean", "Sushi Deli" & "Kopi Alley" outlets in Singapore and "Jollibean" outlets in Malaysia.

The activities undertaken by the Internal Audit Division during the financial year ended 30 April 2015 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 unit 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 unit 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 are effectively implemented.

The cost incurred for the Internal Audit function in respect of the financial year ended 30 April 2015 was approximately RM118,560.



# 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

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# 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 2015.

## 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 and café 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	171,099	65,893
Attributable to:		
– Owners of the parent	177,574	65,893
– Non-controlling interests	(6,475)	–
	171,099	65,893

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 other than as disclosed in Note 22(d) and Note 36(2) to the financial statements.

## DIVIDENDS

The dividends paid by the Company since 30 April 2014 were as follows:

	RM'000
<u>In respect of the financial year ended 30 April 2014</u>	
Second interim dividend of 5.00% or 2.5 sen per share single-tier exempt dividend, paid on 25 July 2014	6,996
<u>In respect of the financial year ended 30 April 2015</u>	
First interim dividend of 5.00% or 2.5 sen per share single-tier exempt dividend, paid on 22 January 2015	9,284
Second interim dividend of 2.50% or 1.25 sen per share single-tier exempt dividend, paid on 23 April 2015	4,669
	13,953
Total dividend paid	20,949
The directors declared and approved on 15 June 2015:	
Third interim dividend of 4.00% or 2.0 sen per share single-tier exempt dividend, paid on 28 July 2015	7,498*

\* 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 2016.

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' Sri Robin Tan Yeong Ching  
 Dato' Lee Kok Chuan  
 Datuk Zainun Aishah Binti Ahmad  
 Dato' Mustapha Bin Abd Hamid  
 Tan Thiam Chai  
 Dato' Zurainah Binti Musa  
 Datuk Idris Bin Hashim (Resigned on 22 December 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 23 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 01.05.14	ACQUIRED	DISPOSED	AT 30.04.15
<b>The Company</b>				
Dato' Sri Robin Tan Yeong Ching	1,877,560	–	–	1,877,560
Dato' Lee Kok Chuan	878,300	969,900	–	1,848,200
Dato' Mustapha Bin Abd Hamid	249,480	–	10,000	239,480
Dato' Zurainah Binti Musa	–	17,452,000	17,452,000	–
	*	17,452,000	–	–
Datuk Zainun Aishah Binti Ahmad	72,000	32,000	–	104,000
Tan Thiam Chai	260,000	–	–	260,000

	NUMBER OF ORDINARY SHARES OF RM0.50 EACH UNDER EMPLOYEES' SHARE OPTION SCHEME			
	AT 01.05.14	GRANTED	EXERCISED	AT 30.04.15
Dato' Sri Robin Tan Yeong Ching	211,740	–	–	211,740
Dato' Lee Kok Chuan	613,600	–	613,600	–
Dato' Mustapha Bin Abd Hamid	42,320	–	–	42,320
Datuk Zainun Aishah Binti Ahmad	65,800	–	–	65,800
Tan Thiam Chai	65,800	–	–	65,800

	NUMBER OF WARRANTS			
	AT 01.05.14	ACQUIRED	EXERCISED	AT 30.04.15
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' REPORT

## DIRECTORS' INTERESTS (CONTINUED)

### Ultimate holding company:

		NUMBER OF ORDINARY SHARES OF RM1.00 EACH			
		AT 01.05.14	ACQUIRED	DISPOSED	AT 30.04.15
<b>Berjaya Corporation Berhad</b>					
Dato' Sri Robin Tan Yeong Ching		2,222,847	–	–	2,222,847
	*	599,416,995	–	–	599,416,995
	(a)	5,000	–	–	5,000
Dato' Lee Kok Chuan		24,000	–	–	24,000
Dato' Zurainah Binti Musa	*	–	2,180,950	2,180,950 <sup>#</sup>	–
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 01.05.14	ACQUIRED	CONVERTED	AT 30.04.15
Dato' Sri Robin Tan Yeong Ching	*	12,401,200	–	–	12,401,200
Dato' Lee Kok Chuan		22	–	–	22
	(a)	17	–	–	17
Dato' Zurainah Binti Musa	*	–	4,361,900	4,361,900 <sup>#</sup>	–

		NUMBER OF 5% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2012/2022 OF RM1.00 NOMINAL VALUE EACH			
		AT 01.05.14	ACQUIRED	DISPOSED	AT 30.04.15
Dato' Sri 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 01.05.14	ACQUIRED	EXERCISED	AT 30.04.15
Dato' Sri 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 01.05.14	ACQUIRED	DISPOSED	AT 30.04.15
<b>Berjaya Land Berhad</b>					
Dato' Sri Robin Tan Yeong Ching		600,000	–	–	600,000
	*	56,600,000	–	–	56,600,000
Tan Thiam Chai		40,000	–	–	40,000

# DIRECTORS' REPORT

## DIRECTORS' INTERESTS (CONTINUED)

### Related companies:

	NUMBER OF ORDINARY SHARES OF RM0.10 EACH			
	AT 01.05.14	ACQUIRED	DISPOSED	AT 30.04.15
<b>Berjaya Sports Toto Berhad</b>				
Dato' Sri Robin Tan Yeong Ching	1,000,000	–	–	1,000,000
Dato' Lee Kok Chuan	61,395	–	–	61,395
Dato' Zurainah Binti Musa	3,056,465	–	3,056,465 <sup>#</sup>	–
Tan Thiam Chai	171,063	–	–	171,063
(a)	77,221	55,000	–	132,221

### Notes:

- \* Indirect interests pursuant to Section 6A of the Companies Act, 1965.
- (a) Indirect interests pursuant to Section 134(12)(c) of the Companies Act, 1965.
- # Cessation of indirect interest pursuant to Section 6A of the Companies Act, 1965.

## 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' Sri 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 28 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia via their letter dated 20 April 2015 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
Chin Wan Ching	400,000

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 RM134,556,020 to RM187,136,800 by way of the issuance of:

- (i) 2,014,560 new ordinary shares of RM0.50 each at an issue price of RM0.50 per share pursuant to the exercise of the share options that was granted under the ESOS;
- (ii) 283,000 new ordinary shares of RM0.50 each at an issue price of RM1.62 per share pursuant to the exercise of the share options that was granted under the ESOS;
- (iii) 500,000 new ordinary shares of RM0.50 each at an issue price of RM1.45 per share pursuant to the exercise of the share options that was granted under the ESOS; and
- (iv) 102,364,000 new ordinary shares of RM0.50 each at an issue price of RM0.70 per share pursuant to the exercise of the warrants.

# DIRECTORS' REPORT

## 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.
- (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 36 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 21 August 2015

**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 50 to 113 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 2015 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 37 to the financial statements on page 114 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 21 August 2015

**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 50 to 114 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 21 August 2015 ) **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 2015 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 50 to 113.

### *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 2015 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 RESPONSIBILITIES

The supplementary information set out in Note 37 on page 114 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

Kuala Lumpur, Malaysia

Date: 21 August 2015

### KUA CHOO KAI

2030/03/16(J)

Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2015

	NOTE	GROUP		COMPANY	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Non-current assets</b>					
Property, plant and equipment	3	155,504	38,899	2	2
Subsidiary companies	4	–	–	430,067	73,985
Joint venture	5	–	94,450	–	71,913
Deferred tax assets	15	4,232	93	–	–
Intangible assets	6	447,321	16,088	–	–
		<b>607,057</b>	149,530	<b>430,069</b>	145,900
<b>Current assets</b>					
Inventories	7	30,490	4,251	–	–
Trade and other receivables	8	38,822	19,420	58,055	43,123
Deposits with financial institutions	9	963	1,899	496	1,481
Cash and bank balances	10	36,900	17,740	6,018	1,340
		<b>107,175</b>	43,310	<b>64,569</b>	45,944
<b>TOTAL ASSETS</b>		<b>714,232</b>	192,840	<b>494,638</b>	191,844
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	11	187,137	134,556	187,137	134,556
Reserves	12	207,282	28,231	102,296	35,420
		<b>394,419</b>	162,787	<b>289,433</b>	169,976
Non-controlling interests		(6,626)	(641)	–	–
<b>Total equity</b>		<b>387,793</b>	162,146	<b>289,433</b>	169,976
<b>Non-current liabilities</b>					
Long term borrowing	13	186,626	–	186,626	–
Other long term liability	14	32	38	–	–
Deferred tax liabilities	15	2,296	2,146	–	1
Provisions	16	9,409	2,967	–	–
		<b>198,363</b>	5,151	<b>186,626</b>	1
<b>Current liabilities</b>					
Trade and other payables	17	86,829	17,028	13,977	15,744
Provisions	16	1,180	628	–	–
Short term borrowings	18	4,431	5,931	4,431	5,931
Deferred income	19	33,517	334	–	–
Taxation		2,119	1,622	171	192
		<b>128,076</b>	25,543	<b>18,579</b>	21,867
<b>Total liabilities</b>		<b>326,439</b>	30,694	<b>205,205</b>	21,868
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>714,232</b>	192,840	<b>494,638</b>	191,844

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

# STATEMENT OF PROFIT OF LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2015

	NOTE	GROUP		COMPANY	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	20	<b>376,780</b>	150,369	<b>75,544</b>	11,500
Cost of sales		<b>(207,733)</b>	(90,689)	–	–
<b>Gross profit</b>		<b>169,047</b>	59,680	<b>75,544</b>	11,500
Other income		<b>173,153</b>	12,124	<b>3,755</b>	3,055
Administrative expenses		<b>(141,937)</b>	(62,047)	<b>(1,601)</b>	(2,025)
Selling and distribution expenses		<b>(5,924)</b>	(2,180)	–	–
Other expenses		<b>(9,137)</b>	(285)	<b>(1,271)</b>	–
		<b>185,202</b>	7,292	<b>76,427</b>	12,530
Finance costs	21	<b>(8,890)</b>	(208)	<b>(9,751)</b>	(1,174)
Share of results of joint venture		<b>6,457</b>	17,489	–	–
<b>Profit before tax</b>	22	<b>182,769</b>	24,573	<b>66,676</b>	11,356
Income tax expense	24	<b>(11,670)</b>	(4,460)	<b>(783)</b>	(618)
<b>Profit for the year</b>		<b>171,099</b>	20,113	<b>65,893</b>	10,738
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
– Foreign currency translation		<b>663</b>	472	–	–
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
– Actuarial (loss)/gain on defined benefit plan		<b>(1)</b>	52	–	–
<b>Total comprehensive income for the year</b>		<b>171,761</b>	20,637	<b>65,893</b>	10,738
<b>Profit attributable to:</b>					
– Owners of the parent		<b>177,574</b>	22,669	<b>65,893</b>	10,738
– Non-controlling interests		<b>(6,475)</b>	(2,556)	–	–
		<b>171,099</b>	20,113	<b>65,893</b>	10,738
<b>Total comprehensive income attributable to:</b>					
– Owners of the parent		<b>178,068</b>	23,125	<b>65,893</b>	10,738
– Non-controlling interests		<b>(6,307)</b>	(2,488)	–	–
		<b>171,761</b>	20,637	<b>65,893</b>	10,738
Earnings per share (sen)	25				
– Basic		<b>54.41</b>	8.58		
– Diluted		<b>53.64</b>	7.01		

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2015

GROUP	ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY									TOTAL EQUITY RM'000
	NON-DISTRIBUTABLE						DISTRIBUTABLE		NON-CONTROLLING INTERESTS RM'000	
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	ESOS RESERVE <sup>^</sup> RM'000	WARRANT RESERVE RM'000	EXCHANGE RESERVE RM'000	MERGER DEFICIT RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000		
At 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
<b>Transactions with owners</b>										
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-controlling interests	-	-	-	-	-	-	-	-	765	765
Dividends (Note 26)	-	-	-	-	-	-	(9,909)	(9,909)	-	(9,909)
	4,034	3,341	768	(1,320)	-	-	(9,909)	(3,086)	765	(2,321)
At 30 April 2014/ 1 May 2014	134,556	4,974	1,295	20,207	122	(55,087)	56,720	162,787	(641)	162,146
Total comprehensive income for the year	-	-	-	-	495	-	177,573	178,068	(6,307)	171,761
<b>Transactions with owners</b>										
ESOS options exercised	1,399	1,458	(666)	-	-	-	-	2,191	-	2,191
ESOS options forfeited	-	27	(27)	-	-	-	-	-	-	-
Warrants exercised	51,182	39,922	-	(19,449)	-	-	-	71,655	-	71,655
Share-based payment under ESOS	-	-	667	-	-	-	-	667	-	667
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	322	322
Dividends (Note 26)	-	-	-	-	-	-	(20,949)	(20,949)	-	(20,949)
	52,581	41,407	(26)	(19,449)	-	-	(20,949)	53,564	322	53,886
<b>At 30 April 2015</b>	<b>187,137</b>	<b>46,381</b>	<b>1,269</b>	<b>758</b>	<b>617</b>	<b>(55,087)</b>	<b>213,344</b>	<b>394,419</b>	<b>(6,626)</b>	<b>387,793</b>

<sup>^</sup> 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 2015

COMPANY	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	NON-DISTRIBUTABLE		DISTRI-BUTABLE	TOTAL EQUITY RM'000
			ESOS RESERVE RM'000	WARRANT RESERVE RM'000	RETAINED EARNINGS RM'000	
At 1 May 2013	130,522	1,633	527	21,527	8,115	162,324
Total comprehensive income for the year	-	-	-	-	10,738	10,738
<b>Transactions with owners</b>						
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 26)	-	-	-	-	(9,909)	(9,909)
	4,034	3,341	768	(1,320)	(9,909)	(3,086)
At 30 April 2014/1 May 2014	134,556	4,974	1,295	20,207	8,944	169,976
Total comprehensive income for the year	-	-	-	-	65,893	65,893
<b>Transactions with owners</b>						
ESOS options exercised	1,399	1,458	(666)	-	-	2,191
ESOS options forfeited	-	27	(27)	-	-	-
Warrants exercised	51,182	39,922	-	(19,449)	-	71,655
Share-based payment under ESOS	-	-	667	-	-	667
Dividends (Note 26)	-	-	-	-	(20,949)	(20,949)
	52,581	41,407	(26)	(19,449)	(20,949)	53,564
<b>At 30 April 2015</b>	<b>187,137</b>	<b>46,381</b>	<b>1,269</b>	<b>758</b>	<b>53,888</b>	<b>289,433</b>

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

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2015

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	390,774	162,619	-	-
Payment to suppliers and operating expenses	(315,850)	(146,450)	(2,532)	(1,563)
Payment of tax	(18,808)	(6,395)	(804)	(470)
Other receipts	1,025	852	(293)	(273)
Net cash flow generated from/(used in) operating activities	57,141	10,626	(3,629)	(2,306)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sales of property, plant and equipment	72	78	-	-
Sales of investment in subsidiary	-	-	-	300
Acquisition of property, plant and equipment (Note a)	(40,438)	(15,867)	(2)	(3)
Acquisition of intangible assets	(1,953)	-	-	-
Acquisition of investment in subsidiary company (Note b)	(227,186)	-	(283,536)	(300)
Interest received	226	84	3,505	2,455
Dividend received	-	-	75,544	8,500
Dividend received from a joint venture	-	3,000	-	3,000
Loan to related companies	-	-	(15,836)	(13,449)
Repayment from related companies	-	-	884	5
Other receipt/(payment) arising on investing activities	142	(143)	-	-
Net cash flow (used in)/generated from investing activities	(269,137)	(12,848)	(219,441)	508
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Issuance of share capital	73,846	5,424	73,846	5,424
Capital contribution by non-controlling interests	322	765	-	-
Payment relating to procurement of loan	(4,532)	-	(4,532)	-
Drawdown of bank borrowings	288,536	5,931	283,536	5,931
Repayment of bank borrowings	(99,700)	-	(94,700)	-
Payment of hire purchase	(13)	-	-	-
Interest paid	(7,625)	(124)	(8,512)	(1,145)
Dividends paid	(20,949)	(9,909)	(20,949)	(9,909)
Advance from related companies	415	487	6,384	7,188
Repayment to related companies	(396)	(559)	(8,896)	(4,239)
Net cash flow generated from financing activities	229,904	2,015	226,177	3,250
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>17,908</b>	<b>(207)</b>	<b>3,693</b>	<b>1,998</b>
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>316</b>	<b>612</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS</b>				
<b>AT BEGINNING OF THE YEAR</b>	<b>19,639</b>	<b>19,234</b>	<b>2,821</b>	<b>823</b>
<b>CASH AND CASH EQUIVALENTS</b>				
<b>AT END OF THE YEAR</b>	<b>37,863</b>	<b>19,639</b>	<b>6,514</b>	<b>2,821</b>



# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2015

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>CASH AND CASH EQUIVALENTS</b>				
The closing cash and cash equivalents comprise of the following:				
Cash and bank balances	36,900	17,740	6,018	1,340
Deposits with financial institutions	963	1,899	496	1,481
	<b>37,863</b>	19,639	<b>6,514</b>	2,821

## Notes:

(a) Analysis of the payments for acquisition of property, plant and equipment:

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Payment for current year acquisition (Note 3)	39,973	15,867	2	3
Payment for previous year acquisition	465	–	–	–
	<b>40,438</b>	15,867	<b>2</b>	3

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

	GROUP	
	2015 RM'000	2014 RM'000
Property, plant and equipment (Note 3)	100,114	–
Net other assets acquired	22,781	–
Goodwill on consolidation (Note 6)	422,005	–
Fair value consideration	544,900	–
Excluding: Cash and cash equivalents of subsidiary company acquired	(56,350)	–
Carrying amount of the equity interests previously owned at the date of acquisition	(100,907)	–
Gain on remeasurement (Note 22(d))	(160,457)	–
Less: Fair value of the equity interests previously owned at the date of acquisition	(261,364)	–
Cash flow on acquisition (net of cash in subsidiary company acquired)	<b>227,186</b>	–

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

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 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 and café 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.

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.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 21 August 2015.

## 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 in accordance 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 2014 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### (a) Subsidiaries and basis of consolidation (continued)

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.

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 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 and the fair value of the Group's previously held equity interest in the acquiree. 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### (a) Subsidiaries and basis of consolidation (continued)

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: Financial Instruments – Recognition and Measurement or MFRS 137: Provisions, Contingent Liabilities and Contingent Assets, as appropriate with the corresponding gain or loss being recognised in profit or loss.

Uniform accounting policies are adopted in the consolidated financial statements for similar transactions and other events in similar circumstances. In the preparation of the consolidated financial statements, the financial statements of all subsidiary companies are adjusted for the material effects of dissimilar accounting policies. Intragroup 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 statements 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### (a) Subsidiaries and basis of consolidation (continued)

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.

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### (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 recognises such parts as individual assets with specific 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### (d) Intangible assets (continued)

##### (iii) Development right fees and licence fees

Development right fees are required to be paid for the rights to develop the “Starbucks” franchise in Malaysia. The development right fees are capitalised and amortised over the period of the development agreement from the date the operation commences.

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

##### (iv) Computer software

Computer software acquired separately are measured on initial recognition at cost. Following initial recognition, computer software are carried at cost less any accumulated amortisation and any accumulated impairment losses. Computer software are amortised on a straight-line basis over its estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for a computer software are reviewed at each reporting date.

#### (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.

#### (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 and the Company 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### (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.

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.



# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### (h) Impairment of non-financial assets (continued)

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.

#### (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 and the Company 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### (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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### (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 institutions 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.

#### (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 to the Company 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 beverages

Revenue relating to sale of food and beverages is recognised net of indirect 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) Gift vouchers and stored value cards

Revenue from gift vouchers and store valued cards, are recognised when redeemed, or when the vouchers expire, or when the likelihood of redemption, based on historical experience, is deemed to be remote for certain cards due to, among other things, long periods of inactivity.

##### (vi) Other income

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

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### (p) Customer loyalty programme

A subsidiary company of the Group operates customer loyalty programme which allows customers to redeem free food, beverage or merchandise after a specific number of purchases.

The value of the free food, beverage or merchandise to be rewarded to the programme members are deferred in the recognition of revenue at the time of the transaction is concluded, based on the estimated value of the free food, beverage or merchandise that are expected to be redeemed and will only be recognised as revenue when redeemed.

#### (q) 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 and separate financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

##### (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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### (q) Foreign currencies (continued)

##### (iii) Foreign operations (continued)

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets or 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.

The principal exchange rates ruling at the reporting date for the various units of foreign currency used are as follows:

FOREIGN CURRENCY	CURRENCY CODE	NUMBER OF UNITS USED	2015 RM	2014 RM
Singapore Dollar	SGD	1	2.69	2.59
United States Dollar	USD	1	3.55	3.26
Indonesian Rupiah	IDR	1000	0.274	0.282
Brunei Dollar	BND	1	2.69	2.60

#### (r) 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### (r) Employee benefits (continued)

##### (iii) Defined benefit plan (continued)

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.

##### (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.

#### (s) 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### (t) 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### (u) Goods and Services Tax ("GST") or Value Added Tax ("VAT")

The net amount of GST or VAT, being the difference between output and input of GST or VAT, payable to or receivable from the respective authorities at the reporting date, is included in trade and other payables or trade and other receivables in the statements of financial position.

#### (v) 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.

#### (w) 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 or of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and the Company except for contingent liabilities assumed in a business combination of which the fair value can be reliably measured.

#### (x) Warrants

Warrants are classified as equity instrument and it is allocated its value based on the closing price of the first trading day, if the warrant is listed, or estimated using option pricing models, if the warrant is not listed.

The issuance of the ordinary shares upon exercise of the warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

### 2.3 Changes in accounting policies

On 1 May 2014, the Group and the Company adopted the following Amendments to MFRSs and Interpretation:

#### 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: Financial Instruments – Presentation (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

Adoption of the above Amendments to MFRSs and Interpretation did not have any effect on the financial performance or position of the Group and the Company.



# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.4 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following new MFRSs, Amendments to MFRSs and Annual Improvements 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 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 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities – Applying the Consolidation Exception
- Amendments to MFRS 11: Joint Arrangement – Accounting for Acquisitions of Interests in Joint Operations
- MFRS 14: Regulatory Deferral Accounts
- Amendment to MFRS 101: Disclosure Initiative
- Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants
- Amendments to MFRS 127: Separate Financial Statements – Equity Method in Separate Financial Statements
- Annual Improvements to MFRSs 2012-2014 Cycle

#### Effective for financial periods beginning on or after 1 January 2018:

- MFRS 9: Financial Instruments (2014)
- MFRS 15: Revenue from Contracts with Customers

Unless otherwise described below, the new MFRSs, Amendments to MFRSs and Annual Improvements 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 and Annual Improvements.

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

#### Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- (a) gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate company or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate company or joint venture; and
- (b) gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.4 Standards issued but not yet effective (continued)

#### MFRS 14: Regulatory Deferral Accounts

MFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulations, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of MFRS. Entities that adopt MFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in the account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature or, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. Since the Group is an existing MFRS preparer, this standard would not apply.

#### Amendments to MFRS 15: Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111: Construction Contracts, MFRS 118: Revenue, IC Interpretation 13: Customer Loyalty Programmes, IC Interpretation 15: Agreements for Construction of Real Estate, IC Interpretation 18: Transfers of Assets from Customers and IC Interpretation 131: Revenue – Barter Transactions Involving Advertising Services.

#### Amendments to MFRS 101: Disclosure Initiative

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:

- (a) Materiality
- (b) Disaggregation and subtotals
- (c) Notes structure
- (d) Disclosure of accounting policies
- (e) Presentation of items of other comprehensive income arising from equity accounted investments

The Group do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

#### Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group has not used a revenue-based method to depreciate its non-current assets.

#### Amendments to MFRS 127: Separate Financial Statements – Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiary companies, joint ventures and associated companies in their separate financial statements. Entities already applying MFRS and electing to change to the equity method in its separate financial statements will have to apply to this change retrospectively. For first-time adopters of MFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to MFRS.

The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Company elects not to apply equity method to account for investments in subsidiary companies, joint ventures and associated companies in its separate financial statements. These amendments will not have any impact on the Company's financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.4 Standards issued but not yet effective (continued)

#### Annual Improvements to MFRSs 2012-2014 Cycle

The Annual Improvements to MFRSs 2012-2014 Cycle include a number of amendments to various MFRSs, which are summarised below. The Group do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

#### (a) Amendments to MFRS 5: Non-current Assets Held for Sale and Discontinued Operations

The amendments to MFRS 5 clarify that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in MFRS 5.

#### (b) Amendments to MFRS 7: Financial Instruments – Disclosures

The amendments clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in MFRS 7 in order to assess whether the disclosures are required.

In addition, the amendment also clarify that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.

#### (c) Amendments to MFRS 119: Employee Benefits

The amendments to MFRS 119 clarify that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in the currency, government bond rates must be used.

#### (d) Amendments to MFRS 134: Interim Financial Reporting

The amendments to MFRS 134 require entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'.

The amendments state that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g. in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

#### MFRS 9: Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted.

Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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 charge 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 income recognised as other income for the year is RM9,062,000 (2014: RM8,404,000).

##### (ii) Share-based payments to employees

The share-based payments to employees and directors relating to share options involves a cost to be charged to profit or loss over the vesting period of the related share options. The cost is based on the fair value of the options and the number of options expected to vest. The fair value of each option is determined using the binomial model.

The valuation of these share based payments requires judgements to be made in respect of the parameters and assumptions used in the method to compute the fair value of the options. Details of assumptions made in respect of the share based payment scheme are disclosed in Note 28.

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.5 Significant accounting estimates and judgements (continued)

#### (b) Key sources of estimation uncertainty (continued)

##### (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 2015 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 24.

##### (v) Impairment of property, plant and equipment

During the current financial year, the Group recognised impairment losses in respect of certain subsidiary companies' property, plant and equipment. The Group carried out the impairment test based on a variety of estimation including the VIU of the CGU to which the property, plant and equipment are allocated. Estimating the VIU requires the Group 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. Further details of the impairment losses recognised are disclosed in Note 3.

The carrying amount of property, plant and equipment of the Group are disclosed in Note 3.

##### (vi) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies. Details of deferred tax assets are disclosed in Note 15.

##### (vii) 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 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
<b>As at 30 April 2015</b>						
<i>At Net Carrying Amount</i>						
At 1.5.14	6,353	1,166	14,085	16,023	1,272	38,899
Additions	8,727	1,958	7,174	21,928	890	40,677
Disposals	(3)	–	(27)	–	–	(30)
Depreciation charge for the year	(4,004)	(699)	(3,229)	(7,936)	–	(15,868)
Acquisition of subsidiary	20,404	1,354	20,676	57,680	–	100,114
Write off	(20)	(15)	(235)	(302)	–	(572)
Impairment loss	(365)	(99)	(1,832)	(2,086)	–	(4,382)
Foreign currency translation	51	2	(85)	12	–	(20)
Reclassification/Adjustments	231	691	(563)	(2,401)	(1,272)	(3,314)
<b>At 30.4.15</b>	<b>31,374</b>	<b>4,358</b>	<b>35,964</b>	<b>82,918</b>	<b>890</b>	<b>155,504</b>
<b>As at 30 April 2014</b>						
<i>At Net Carrying Amount</i>						
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)
<b>At 30.4.14</b>	<b>6,353</b>	<b>1,166</b>	<b>14,085</b>	<b>16,023</b>	<b>1,272</b>	<b>38,899</b>
<b>As at 30 April 2015</b>						
Cost	<b>57,179</b>	<b>9,791</b>	<b>76,543</b>	<b>137,643</b>	<b>890</b>	<b>282,046</b>
Accumulated depreciation	<b>(25,444)</b>	<b>(5,335)</b>	<b>(38,773)</b>	<b>(52,656)</b>	<b>–</b>	<b>(122,208)</b>
Accumulated impairment	<b>(361)</b>	<b>(98)</b>	<b>(1,806)</b>	<b>(2,069)</b>	<b>–</b>	<b>(4,334)</b>
<b>Net carrying amount</b>	<b>31,374</b>	<b>4,358</b>	<b>35,964</b>	<b>82,918</b>	<b>890</b>	<b>155,504</b>
<b>As at 30 April 2014</b>						
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)
<b>Net carrying amount</b>	<b>6,353</b>	<b>1,166</b>	<b>14,085</b>	<b>16,023</b>	<b>1,272</b>	<b>38,899</b>

Included in property, plant and equipment of the Group are fully depreciated assets which are still in use costing about RM25,986,000 (2014: RM13,554,000).

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED) COMPANY

	OFFICE EQUIPMENT RM'000	FURNITURE AND FITTINGS RM'000	COMPUTER RM'000	TOTAL RM'000
<b>As at 30 April 2015</b>				
<u>At Net Carrying Amount</u>				
At 1.5.14	–	–	2	2
Additions	1	1	–	2
Depreciation charge for the year	–	–	(1)	(1)
Write-off	–	–	(1)	(1)
At 30.4.15	<b>1</b>	<b>1</b>	<b>–</b>	<b>2</b>
<b>As at 30 April 2014</b>				
<u>At Net Carrying Amount</u>				
At 1.5.13	–	–	2	2
Additions	–	–	3	3
Depreciation charge for the year	–	–	(3)	(3)
At 30.4.14	–	–	2	2
<b>As at 30 April 2015</b>				
Cost	<b>1</b>	<b>1</b>	<b>6</b>	<b>8</b>
Accumulated depreciation	–	–	<b>(6)</b>	<b>(6)</b>
Net carrying amount	<b>1</b>	<b>1</b>	<b>–</b>	<b>2</b>
<b>As at 30 April 2014</b>				
Cost	–	–	8	8
Accumulated depreciation	–	–	(6)	(6)
Net carrying amount	–	–	2	2

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

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Finance leases	–	48	–	–
Cash	<b>39,973</b>	15,867	<b>2</b>	3
Amount due to suppliers	–	465	–	–
Provision for restoration cost	<b>704</b>	568	–	–
	<b>40,677</b>	16,948	<b>2</b>	3

Included in the Group's reclassification/adjustments are over accrual of certain property, plant and equipment of RM3,314,000 (2014: RM Nil).

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 4. SUBSIDIARY COMPANIES

	COMPANY	
	2015 RM'000	2014 RM'000
Unquoted shares in Malaysia, at cost	427,536	72,087
ESOS granted to employees of subsidiary companies	2,531	1,898
	<b>430,067</b>	<b>73,985</b>

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 <sup>^</sup>		% OF OWNERSHIP INTEREST HELD BY NON-CONTROLLING INTERESTS <sup>^</sup>	
			2015	2014	2015	2014
<b>Held by the Company:</b>						
Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks")	Malaysia	Development and operation of the "Starbucks Coffee" chain of cafes and retail outlets in Malaysia.	100	@	-	@
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 Food Trading Sdn Bhd (formerly known as Berjaya Food Management Services Sdn Bhd)	Malaysia	Sale and distribution of food and beverage in Malaysia.	100	100	-	-

@ BStarbucks was formerly a joint venture of the Group.



# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 4. SUBSIDIARY COMPANIES (CONTINUED)

NAME	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	% OF OWNERSHIP INTEREST HELD BY THE GROUP <sup>^</sup>		% OF OWNERSHIP INTEREST HELD BY NON-CONTROLLING INTERESTS <sup>^</sup>	
			2015	2014	2015	2014
<b>Subsidiaries of Berjaya Food (International) Sdn Bhd:</b>						
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 <sup>#</sup>	Brunei	Development and operation of the "Starbucks Coffee" chain of cafes and retail stores in Brunei.	80	80	20	20
Berjaya Roasters (Cambodia) Ltd*	Cambodia	Development and operation of the "Kenny Rogers Roasters" chain of restaurants in Cambodia.	70	-	30	-
<b>Subsidiary of Jollibean Foods Pte Ltd:</b>						
Berjaya Jollibean (M) Sdn Bhd	Malaysia	Operation of food and beverage retail outlets in Malaysia.	100	100	-	-

<sup>^</sup> equals to the proportion of voting rights held.

<sup>#</sup> audited by other member firm of Ernst & Young Global.

\* audited by other firms of chartered accountants.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 4. SUBSIDIARY COMPANIES (CONTINUED)

### (a) Acquisition of subsidiary companies

The Company had on 18 September 2014, completed the acquisition of the remaining 50% equity interests in BStarbucks for a total cash consideration of USD88 million (or about RM283.54 million).

The cost of acquisition comprised the following:

2015 GROUP	RM'000
Purchase consideration satisfied by cash	283,536

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

2015 GROUP	RM'000
Revenue	215,314
Profit	23,383

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

2015 GROUP	FAIR VALUE RM'000
Non-current assets	115,792
Current assets	101,513
	217,305
Non-current liabilities	15,331
Current liabilities	79,079
	94,410
Fair value of net assets, representing Group's share of net assets	122,895
Goodwill on acquisition (Note 6)	422,005
	544,900
Carrying amount of the equity interests previously owned at the date of acquisition	(100,907)
Gain on remeasurement (Note 22(d))	(160,457)
Less: Fair value of the equity interests previously owned at the date of acquisition	(261,364)
Total cost of acquisition	283,536

The net cash flows on acquisition were as follows:

2015 GROUP	RM'000
Purchase consideration satisfied by cash	(283,536)
Cash and cash equivalents of subsidiary company acquired	56,350
Net cash outflow on acquisition of a subsidiary company	(227,186)

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

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 4. SUBSIDIARY COMPANIES (CONTINUED)

### (a) Acquisition of subsidiary companies (continued)

Acquisition of subsidiary companies subsequent to financial year end

There is no acquisition of subsidiary company subsequent to the financial year end.

### (b) Subsidiary companies with material non-controlling interests

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 amounts before inter-company elimination.

Summarised statements of financial position

	PT BOGA LESTARI SENTOSA		BERJAYA FOOD SUPREME SDN BHD <sup>^</sup>		TOTAL	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current assets	<b>7,095</b>	7,959	<b>5,030</b>	1,439	<b>12,125</b>	9,398
Current assets	<b>4,292</b>	7,931	<b>2,388</b>	4,530	<b>6,680</b>	12,461
Total assets	<b>11,387</b>	15,890	<b>7,418</b>	5,969	<b>18,805</b>	21,859
Non-current liabilities	<b>391</b>	573	<b>621</b>	192	<b>1,012</b>	765
Current liabilities	<b>27,105</b>	18,328	<b>1,663</b>	1,602	<b>28,768</b>	19,930
Total liabilities	<b>27,496</b>	18,901	<b>2,284</b>	1,794	<b>29,780</b>	20,695
Net (liabilities)/assets	<b>(16,109)</b>	(3,011)	<b>5,134</b>	4,175	<b>(10,975)</b>	1,164
Equity attributable to the owners of the Company	<b>(8,216)</b>	(1,535)	<b>4,107</b>	3,340	<b>(4,109)</b>	1,805
Non-controlling interests	<b>(7,893)</b>	(1,476)	<b>1,027</b>	835	<b>(6,866)</b>	(641)
	<b>(16,109)</b>	(3,011)	<b>5,134</b>	4,175	<b>(10,975)</b>	1,164

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 4. SUBSIDIARY COMPANIES (CONTINUED)

### (b) Subsidiary companies with material non-controlling interests (continued)

Summarised statements of profit or loss and other comprehensive income

	PT BOGA LESTARI SENTOSA		BERJAYA FOOD SUPREME SDN BHD <sup>^</sup>		TOTAL	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	<b>13,315</b>	13,411	<b>6,882</b>	1,665	<b>20,197</b>	15,076
(Loss)/Profit attributable to the:						
– Owners of the Company	<b>(6,824)</b>	(2,717)	<b>639</b>	224	<b>(6,185)</b>	(2,493)
– Non-controlling interests	<b>(6,554)</b>	(2,612)	<b>161</b>	56	<b>(6,393)</b>	(2,556)
(Loss)/Profit for the year/period	<b>(13,378)</b>	(5,329)	<b>800</b>	280	<b>(12,578)</b>	(5,049)
Other comprehensive income attributable to:						
– Owners of the Company	<b>143</b>	56	<b>127</b>	56	<b>270</b>	112
– Non-controlling interests	<b>137</b>	54	<b>32</b>	14	<b>169</b>	68
Other comprehensive income for the year/period	<b>280</b>	110	<b>159</b>	70	<b>439</b>	180
Total comprehensive income for the year/period	<b>(13,098)</b>	(5,219)	<b>959</b>	350	<b>(12,139)</b>	(4,869)
Total comprehensive income attributable to:						
– Owners of the Company	<b>(6,681)</b>	(2,661)	<b>766</b>	280	<b>(5,915)</b>	(2,381)
– Non-controlling interests	<b>(6,417)</b>	(2,558)	<b>193</b>	70	<b>(6,224)</b>	(2,488)
Total comprehensive income for the year/period	<b>(13,098)</b>	(5,219)	<b>959</b>	350	<b>(12,139)</b>	(4,869)

Summarised statements of cash flows

	PT BOGA LESTARI SENTOSA		BERJAYA FOOD SUPREME SDN BHD <sup>^</sup>		TOTAL	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Net cash (used in)/generated from operating activities	<b>(4,121)</b>	(1,575)	<b>467</b>	813	<b>(3,654)</b>	(762)
Net cash used in investing activities	<b>(5,119)</b>	(5,031)	<b>(3,228)</b>	(775)	<b>(8,347)</b>	(5,806)
Net cash generated from financing activities	<b>8,174</b>	6,988	–	3,825	<b>8,174</b>	10,813
Net change in cash and cash equivalent	<b>(1,066)</b>	382	<b>(2,761)</b>	3,863	<b>(3,827)</b>	4,245
Effect of exchange rate changes	<b>105</b>	302	<b>93</b>	65	<b>198</b>	367
Cash and cash equivalents at beginning of the year/period	<b>1,037</b>	353	<b>3,928</b>	–	<b>4,965</b>	353
Cash and cash equivalents at end of the year/period	<b>76</b>	1,037	<b>1,260</b>	3,928	<b>1,336</b>	4,965

<sup>^</sup> Berjaya Food Supreme Sdn Bhd was incorporated on 24 September 2013 and therefore the comparative figures for the statement of profit or loss and other comprehensive income and the statement of cash flows are for the period from 24 September 2013 to 30 April 2014.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 5. JOINT VENTURE

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cost of investment	-	71,913	-	71,913
Share of post-acquisition reserves	-	22,537	-	-
	-	94,450	-	71,913

Details of the joint venture were as follows:

NAME OF JOINT VENTURE	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	% OF OWNERSHIP INTEREST HELD BY THE GROUP <sup>^</sup>	
			2015	2014
<b>Held by the Company:</b>				
BStarbucks	Malaysia	Development and operation of the "Starbucks Coffee" chain of cafes and retail outlets in Malaysia.	-	50

<sup>^</sup> equals to the proportion of voting rights held

BStarbucks became a subsidiary company of the Group during the financial year (refer Note 36(2)).

In the previous financial year, summarised financial information of BStarbucks was as 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.

### 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 provisions)	28,678
Trade and other payables and provisions	40,096
Total current liabilities	68,774
Non-current liabilities (excluding provisions)	-
Provisions	9,174
Total non-current liabilities	9,174
Total liabilities	77,948
Net assets	109,980

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 5. JOINT VENTURE (CONTINUED)

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 expense	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

In the previous financial year, dividend received from the joint venture was RM3,000,000.

## 6. INTANGIBLE ASSETS

### GROUP

	GOODWILL RM'000	TRADEMARKS RM'000	LICENCE FEES RM'000	DEVELOPMENT RIGHT FEES RM'000	COMPUTER SOFTWARE RM'000	TOTAL RM'000
<b>2015</b>						
<u>Net carrying amount</u>						
At beginning of year	8,362	7,646	80	-	-	16,088
Acquisition of subsidiary company	422,005	-	6,806	60	786	429,657
Additions	-	-	1,873	-	192	2,065
Amortisation	-	-	(279)	(5)	(208)	(492)
Exchange differences	-	-	3	-	-	3
At end of year	430,367	7,646	8,483	55	770	447,321
	GOODWILL RM'000	TRADEMARKS RM'000	LICENCE FEES RM'000	TOTAL RM'000		
<b>2014</b>						
<u>Net carrying amount</u>						
At beginning of year		8,362	7,646	-		16,008
Addition		-	-	80		80
At end of year		8,362	7,646	80		16,088

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 6. INTANGIBLE ASSETS (CONTINUED)

### GROUP

	COST RM'000	ACCUMULATED AMORTISATION RM'000	ACCUMULATED IMPAIRMENT LOSSES RM'000	TOTAL RM'000
<b>As at 30 April 2015</b>				
Goodwill	430,450	-	(83)	430,367
Trademarks	7,646	-	-	7,646
Licence fees	12,254	(3,771)	-	8,483
Development right fees	73	(18)	-	55
Computer software	1,461	(691)	-	770
	<b>451,884</b>	<b>(4,480)</b>	<b>(83)</b>	<b>447,321</b>
<b>As at 30 April 2014</b>				
Goodwill	8,445	-	(83)	8,362
Trademarks	7,646	-	-	7,646
Licence fees	80	-	-	80
	16,171	-	(83)	16,088

(a) There were no acquisitions subsequent to 30 April 2015.

(b) Impairment testing on goodwill

#### Key assumptions used in VIU calculations

The recoverable amount of a CGU is determined based on VIU calculation using cash flow projections based on financial budgets covering period ranging from five to ten years. 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 11.51%-15.00% (2014: 12.05%-14.66%).

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 6. INTANGIBLE ASSETS (CONTINUED)

(c) 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 11.51% (2014: 14.01%).

### 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	
	2015 RM'000	2014 RM'000
At cost:		
Food and beverages	15,260	3,730
Inventories for resale	10,571	–
Paper and packaging	2,230	146
Spares and other supplies	2,429	375
	<b>30,490</b>	4,251

The cost of inventories recognised as an expense during the financial year in the Group amounted to RM107,208,000 (2014: RM40,529,000).



# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 8. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Trade receivables</b>	<b>1,633</b>	765	–	–
<b>Other receivables</b>				
Deposits	<b>28,611</b>	11,883	–	–
Sundry receivables	<b>2,901</b>	1,866	<b>1</b>	8
Amount owing by:				
– related companies	<b>676</b>	8	–	–
– subsidiary companies	–	–	<b>58,012</b>	42,962
– joint venture	–	100	–	100
	<b>32,188</b>	13,857	<b>58,013</b>	43,070
<b>Other current assets</b>				
Prepayments	<b>4,877</b>	4,798	<b>42</b>	53
Indirect tax recoverable	<b>124</b>	–	–	–
	<b>5,001</b>	4,798	<b>42</b>	53
Total trade and other receivables	<b>38,822</b>	19,420	<b>58,055</b>	43,123

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

### (a) Trade receivables

The trade receivables are corporate customers and credit card companies which are generally on 6 – 90 (2014: 6) days terms.

#### Ageing analysis of trade receivables

	GROUP	
	2015 RM'000	2014 RM'000
Neither past due nor impaired	<b>902</b>	765
1 to 30 days past due not impaired	<b>699</b>	–
31 to 60 days past due not impaired	–	–
61 to 90 days past due not impaired	<b>21</b>	–
More than 90 days past due not impaired	<b>11</b>	–
	<b>731</b>	–
	<b>1,633</b>	765

#### Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

#### Receivables that are past due but not impaired

The Group has trade receivables amounting to RM731,000 (2014: RM Nil) that are past due at the reporting date but not impaired. There is no concern on the credit worthiness of the counter parties and the recoverability of these debts.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 8. TRADE AND OTHER RECEIVABLES (CONTINUED)

### (b) Sundry receivables

The sundry receivables are non-interest bearing and generally on 30 to 90 (2014: 30) days terms.

### (c) Amounts owing by related companies and subsidiary companies

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

In the previous financial year, the amount owing by joint venture was unsecured, non-interest bearing and repayable on demand.

The amounts owing by subsidiary companies are unsecured and repayable on demand. The amount totalling RM53,526,000 (2014: RM42,862,000) is interest bearing.

## 9. DEPOSITS WITH FINANCIAL INSTITUTIONS

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deposits with:				
Licensed bank	496	1,481	496	1,481
Other financial institutions	467	418	–	–
	<b>963</b>	1,899	<b>496</b>	1,481

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

	GROUP		COMPANY	
	2015	2014	2015	2014
Interest rates per annum (%)				
Licensed bank	3.10	3.00	3.10	3.00
Other financial institutions	0.15	0.15	–	–
Maturities (days)				
Licensed bank	22	12 – 23	22	12 – 23
Other financial institutions	43 – 157	43 – 155	–	–

Included in the Group and Company are deposits pledged for the secured short term loan amounting to RM496,000 (2014: RM475,000).

## 10. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances	36,900	17,708	6,018	1,340
Cash funds	–	32	–	–
	<b>36,900</b>	17,740	<b>6,018</b>	1,340

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% (2014: 1.35% – 2.15%) per annum.

Included in the Group and Company are monies held in debt service reserve accounts amounting to RM4,315,000 (2014: RM Nil).

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 11. SHARE CAPITAL

	GROUP AND COMPANY			
	NUMBER OF SHARES		SHARE CAPITAL	
	2015	2014	2015	2014
	'000	'000	RM'000	RM'000
Ordinary shares of RM0.50 each				
<b>Authorised:</b>				
At beginning/end of year	<b>1,200,000</b>	1,200,000	<b>600,000</b>	600,000
<b>Issued and fully paid:</b>				
At beginning of year	<b>269,112</b>	261,044	<b>134,556</b>	130,522
Employees' share options exercised	<b>2,797</b>	1,122	<b>1,399</b>	561
Warrants exercised	<b>102,364</b>	6,946	<b>51,182</b>	3,473
At end of year	<b>374,273</b>	269,112	<b>187,137</b>	134,556

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	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Share premium	<b>46,381</b>	4,974	<b>46,381</b>	4,974
Merger deficit (Note a)	<b>(55,087)</b>	(55,087)	-	-
ESOS reserve (Note b)	<b>1,269</b>	1,295	<b>1,269</b>	1,295
Warrant reserve (Note c)	<b>758</b>	20,207	<b>758</b>	20,207
Exchange reserves	<b>617</b>	122	-	-
	<b>(6,062)</b>	(28,489)	<b>48,408</b>	26,476
Retained earnings (Note d)	<b>213,344</b>	56,720	<b>53,888</b>	8,944
	<b>207,282</b>	28,231	<b>102,296</b>	35,420

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 12. RESERVES (CONTINUED)

### (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	
	2015	2014
	UNITS'000	UNITS'000
At beginning of year	106,354	113,300
Exercised during the year	(102,364)	(6,946)
At end of year	3,990	106,354

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, right, allotment and/or other distributions, the book closure date of which is prior to the allotment of the new ordinary shares to be issued upon 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 2015 under the single-tier system.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 13. LONG TERM BORROWING

	GROUP AND COMPANY	
	2015	2014
	RM'000	RM'000
<b>Secured:</b>		
Term loan	186,626	–

Details of the long term borrowing outstanding are as follows:

	GROUP AND COMPANY	
	2015	2014
	RM'000	RM'000
Amounts repayable:		
More than one year but not later than two years	20,843	–
More than two years but not later than five years	140,189	–
More than five years	25,594	–
	<b>186,626</b>	<b>–</b>

The secured term loan is secured by way of a fixed charge on the shares of a subsidiary company.

The range of interest rates per annum at the reporting date for borrowings was 5.71% to 5.94% (2014: Nil).

## 14. OTHER LONG TERM LIABILITY

	GROUP	
	2015	2014
	RM'000	RM'000
<b>Secured:</b>		
Hire purchase payable (Note a)	42	48
Portion repayable within 12 months (Note 17)	(10)	(10)
	<b>32</b>	<b>38</b>

The Group's hire purchase payable bore effective interest rate of 2.81% (2014: 2.81%) per annum.

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

	GROUP	
	2015	2014
	RM'000	RM'000
Gross amount payable:		
Within one year after reporting date	13	13
More than one year but not later than two years	35	13
More than two years but not later than five years	–	31
	<b>48</b>	<b>57</b>
Less: Unexpired interest	(6)	(9)
	<b>42</b>	<b>48</b>

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 14. OTHER LONG TERM LIABILITY (CONTINUED)

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

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

	GROUP	
	2015 RM'000	2014 RM'000
Within one year after reporting date	10	10
More than one year but not later than two years	32	10
More than two years but not later than five years	–	28
	<b>42</b>	<b>48</b>

## 15. DEFERRED TAX

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At beginning of the year	2,053	2,204	1	1
Recognised in profit or loss (Note 24)	(2,142)	(169)	(1)	–
Arising on acquisition of subsidiary company	(1,869)	–	–	–
Exchange differences	22	18	–	–
At end of the year	<b>(1,936)</b>	<b>2,053</b>	<b>–</b>	<b>1</b>

Presented after appropriate offsetting as follows:

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deferred tax assets	(4,232)	(93)	–	–
Deferred tax liabilities	2,296	2,146	–	1
	<b>(1,936)</b>	<b>2,053</b>	<b>–</b>	<b>1</b>

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 15. DEFERRED TAX (CONTINUED)

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

### GROUP

	DEFERRED REVENUE RM'000	PROPERTY, PLANT AND EQUIPMENT RM'000	RETIREMENT BENEFITS AND OTHERS RM'000	TOTAL RM'000
<b>Deferred Tax Assets</b>				
At 1 May 2014	-	(158)	(93)	(251)
Recognised in profit or loss	(2,182)	(955)	371	(2,766)
Arising on acquisition of a subsidiary	(6,082)	-	(1,944)	(8,026)
Exchange differences	-	14	1	15
Reclassification	-	158	(158)	-
At 30 April 2015	(8,264)	(941)	(1,823)	(11,028)
Set-off against deferred tax liabilities				6,796
				(4,232)
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)
		PROPERTY, PLANT AND EQUIPMENT RM'000	TOTAL RM'000	
<b>Deferred Tax Liabilities</b>				
At 1 May 2014		2,304	2,304	
Recognised in profit or loss		624	624	
Arising on acquisition of a subsidiary		6,157	6,157	
Exchange differences		7	7	
At 30 April 2015		9,092	9,092	
Set-off against deferred tax assets				(6,796)
				2,296
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	
				(158)
				2,146

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 15. DEFERRED TAX (CONTINUED)

### COMPANY

	PROPERTY, PLANT AND EQUIPMENT RM'000	TOTAL RM'000
<b>Deferred Tax Liabilities</b>		
At 1 May 2014	1	1
Recognised in profit or loss	(1)	(1)
At 30 April 2015	-	-
At 1 May 2013	1	1
Recognised in profit or loss	-	-
At 30 April 2014	1	1

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

	GROUP	
	2015 RM'000	2014 RM'000
Unused tax losses	18,834	10,915
Unabsorbed capital allowance	105	52

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

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.



# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 16. PROVISIONS

### GROUP

	RESTORATION COSTS RM'000	RETIREMENT BENEFITS RM'000	TOTAL RM'000
<b>At 30 April 2015</b>			
At beginning of year	3,327	268	3,595
Provision/(reversal) for the year	898	(141)	757
Acquisition of subsidiary	9,600	-	9,600
Adjustment	(3,309)	-	(3,309)
Utilisation of provision	(63)	-	(63)
Recognised in other comprehensive income	-	1	1
Foreign currency translation	14	(6)	8
At end of year	<b>10,467</b>	<b>122</b>	<b>10,589</b>
Current	1,180	-	1,180
Non-current	9,287	122	9,409
	<b>10,467</b>	<b>122</b>	<b>10,589</b>
<b>At 30 April 2014</b>			
At beginning of year	2,847	685	3,532
Provision/(reversal) for the year	568	(315)	253
Utilisation of provision	(87)	-	(87)
Recognised in other comprehensive income	-	(52)	(52)
Foreign currency translation	(1)	(50)	(51)
At end of year	3,327	268	3,595
Current	628	-	628
Non-current	2,699	268	2,967
	3,327	268	3,595

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 16. 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 the obligation.

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

	GROUP	
	2015 RM'000	2014 RM'000
Current service cost	29	75
Net actuarial gain	–	4
Actuarial adjustment	(193)	(449)
Retirement benefits recognised in staff costs	(164)	(370)
Interest cost	23	55
	(141)	(315)

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

	GROUP	
	2015	2014
Discount rate	8.3%	8.7%
Rate of average salary increase	6.0%	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 16% or higher by about 19%, respectively.

## 17. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade payables	37,937	5,277	6	–
Other payables	20,888	770	309	–
Accruals	24,883	10,163	607	177
Amount owing to:				
– related companies	1,267	803	28	3
– subsidiary company	–	–	13,027	15,559
– holding company	–	5	–	5
Hire purchase payable (Note 14)				
– Portion repayable within 12 months	10	10	–	–
	84,985	17,028	13,977	15,744
<b>Other current liability</b>				
Indirect tax payable	1,844	–	–	–
	86,829	17,028	13,977	15,744

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 17. TRADE AND OTHER PAYABLES (CONTINUED)

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 – 120 days (2014: 30 – 45 days) terms.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on 30 – 180 days (2014: 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.

## 18. SHORT TERM BORROWINGS

	GROUP AND COMPANY	
	2015	2014
	RM'000	RM'000
<b>Secured:</b>		
Short term loan	4,431	4,431
<b>Unsecured:</b>		
Revolving credit	-	1,500
	<b>4,431</b>	<b>5,931</b>

The secured short term loan is secured by a fixed deposit of RM496,000 (2014:RM475,000).

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

	GROUP AND COMPANY	
	2015	2014
	%	%
<b>Secured:</b>		
Short term loan	<b>4.99 – 5.35</b>	4.75 – 4.80
<b>Unsecured:</b>		
Revolving credit	-	4.74 – 4.88

## 19. DEFERRED INCOME

Deferred income relates to the customer loyalty programme which consists of stored value cards and total estimated value of the customers' redemption of free food, beverage and merchandise after a specific number of purchases.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 20. REVENUE

Revenue consists of the following:

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sale of food and beverages	376,780	148,194	–	–
Dividend income from				
– subsidiary companies	–	–	75,544	8,500
– joint venture	–	–	–	3,000
Management fee income	–	2,175	–	–
	<b>376,780</b>	<b>150,369</b>	<b>75,544</b>	<b>11,500</b>

## 21. FINANCE COST

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expenses on:				
– Bank borrowings	8,042	153	8,020	153
– Unwinding of discount and charge out of deferred transaction costs	822	–	822	–
– Amounts due to subsidiary company	–	–	909	1,021
– Defined benefit plans (Note 16)	23	55	–	–
– Hire purchase	3	–	–	–
	<b>8,890</b>	<b>208</b>	<b>9,751</b>	<b>1,174</b>

## 22. PROFIT BEFORE TAX

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Profit before tax is arrived at after charging:</b>				
Directors' remuneration (Note 23)				
– emoluments (excluding benefits-in-kind)	2,133	2,101	281	259
– fees	79	72	79	72
Auditors' remuneration				
– statutory audit fee	180	121	25	25
– under provision in prior years	2	–	–	–
– fees for non audit services	181	16	126	16
Depreciation of property, plant and equipment	15,868	7,349	1	3
Amortisation of intangible assets	492	–	–	–
Rental expenses				
– related companies	69	102	–	–
– third parties	76,583	31,373	–	–
Royalty expense payable to				
– related company	856	624	–	–
– third party	13,464	–	–	–
Staff costs (Note a)	106,309	43,648	135	116
Loss on foreign exchange				
– realised	1,607	4	–	–
– unrealised	47	682	–	–
Other expenses (c)	9,137	285	1,271	–

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 22. PROFIT BEFORE TAX (CONTINUED)

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>and crediting:</b>				
Gain on foreign exchange				
– unrealised	34	–	–	–
Other income (d)	173,153	12,124	3,755	3,055

(a) Staff costs consist of the following:

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Wages, salaries and allowances	77,579	35,074	107	91
Social security costs and employees insurance	1,340	339	–	–
Bonuses	3,785	1,674	8	8
Pension costs				
– defined contribution plans	9,731	3,539	14	12
– defined benefit plan	(164)	(370)	–	–
Provision for short term compensated absences	97	14	6	5
Share-based payments (Note b)	632	1,206	–	–
Other staff related expenses	13,309	2,172	–	–
	106,309	43,648	135	116

Staff costs exclude remuneration of executive directors.

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

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Share-based payments for:				
– employees of the Group	632	1,206	–	–
– directors of the Company	35	193	35	193
	667	1,399	35	193

(c) Other expenses

Included in other expenses are the following:

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Loss on sale of property, plant and equipment	2	–	–	–
Corporate exercise expenses	1,270	–	1,270	–
Impairment loss on property, plant and equipment	4,382	–	–	–
Property, plant and equipment written off	572	285	1	–
Lease termination costs	2,911	–	–	–

# NOTES TO THE FINANCIAL STATEMENTS

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## 22. PROFIT BEFORE TAX (CONTINUED)

(d) Other income

Included in other expenses are the following:

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest income:				
– subsidiary company	–	–	3,351	2,436
– financial institutions	458	84	154	19
Gain on remeasurement	160,457	–	–	–
Royalty fee income from a related company	307	336	–	–
Affiliation fee income from joint venture	250	600	250	600
Gain on sale of property, plant and equipment	44	22	–	–
Service charge income	9,062	8,404	–	–

## 23. 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Directors of the Company</b>				
Executive				
Fees	13	–	–	–
Salaries and other emoluments	753	726	270	251
Bonus	66	102	–	–
Benefit-in-kind	17	–	17	–
	849	828	287	251
Non-executive				
Fees	79	72	79	72
Other emoluments	11	8	11	8
	90	80	90	80
	939	908	377	331
<b>Other directors of the Group</b>				
Salaries and other emoluments	1,290	1,265	–	–
<b>Total directors' remuneration</b>	<b>2,229</b>	<b>2,173</b>	<b>377</b>	<b>331</b>

# NOTES TO THE FINANCIAL STATEMENTS

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## 24. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current income tax:				
– Malaysian tax	13,866	4,606	784	612
– Foreign tax	77	177	–	–
	<b>13,943</b>	4,783	<b>784</b>	612
(Over)/under provision in prior years				
– Malaysian tax	(131)	(141)	–	6
– Foreign tax	–	(13)	–	–
	<b>(131)</b>	(154)	–	6
	<b>13,812</b>	4,629	<b>784</b>	618
Deferred tax (Note 15):				
Relating to origination and reversal of temporary differences	(1,774)	385	(1)	–
Over provision in prior years	(368)	(554)	–	–
	<b>(2,142)</b>	(169)	<b>(1)</b>	–
Income tax expense	<b>11,670</b>	4,460	<b>783</b>	618

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 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. Taxation for other jurisdictions is calculated at the rates 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax	182,769	24,573	66,676	11,356
Applicable tax rate (%)	25	25	25	25
Taxation at applicable tax rate	45,692	6,143	16,669	2,839
Income not subject to tax	(40,313)	(220)	(18,886)	(2,875)
Expenses not deductible under tax legislation	5,840	3,837	3,000	648
Effect of change in tax rate on opening balance of deferred tax	47	–	–	–
Effect of different tax rate in other countries	52	(169)	–	–
Effect of other tax incentives	–	(76)	–	–
Effect of share of result of joint venture	(1,614)	(4,372)	–	–
Deferred tax assets not recognised during the financial year	2,470	25	–	–
Recognition on previously unrecognised deferred tax assets	(5)	–	–	–
(Over)/under provision of income tax in prior years	(131)	(154)	–	6
Over provision of deferred tax in prior years	(368)	(554)	–	–
Income tax expense	<b>11,670</b>	4,460	<b>783</b>	618

# NOTES TO THE FINANCIAL STATEMENTS

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## 25. 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	
	2015 RM'000	2014 RM'000
Profit attributable to equity holders	177,574	22,669
Weighted average number of ordinary shares in issue ('000)	326,351	264,318
Basic earnings per share (sen)	54.41	8.58

### (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	
	2015 RM'000	2014 RM'000
Profit attributable to equity holders	177,574	22,669
Weighted average number of ordinary shares in issue ('000)	326,351	264,318
Assumed shares issued from the		
– exercise of employees' share options ('000)	1,665	2,184
– exercise of warrants ('000)	3,013	56,722
Adjusted weighted average number of ordinary shares ('000)	331,029	323,224
Diluted earnings per share (sen)	53.64	7.01



# NOTES TO THE FINANCIAL STATEMENTS

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## 26. DIVIDENDS

	2015 NET DIVIDEND PER SHARE SEN	COMPANY		2014 NET DIVIDEND PER SHARE RM'000
		2015 NET DIVIDEND PER SHARE RM'000	2014 NET DIVIDEND PER SHARE SEN	
<b>Recognised during the year</b>				
- 2nd interim dividend of 5% single-tier exempt dividend approved in respect of financial year ended 30 April 2014 (2014: 4% single-tier exempt dividend in respect of financial year ended 30 April 2013)	2.50	6,996	2.00	5,254
- 1st interim dividend of 5% single-tier exempt dividend approved in respect of financial year ended 30 April 2015 (2014: 3.5% single-tier exempt dividend in respect of financial year ended 30 April 2014)	2.50	9,284	1.75	4,655
- 2nd interim dividend of 2.5% single-tier exempt dividend approved in respect of financial year ended 30 April 2015 (2014: Nil)	1.25	4,669	-	-
	<b>6.25</b>	<b>20,949</b>	3.75	9,909

On 15 June 2015, the Company approved and declared a third interim single-tier exempt dividend of 2.0 sen per share in respect of the financial year ended 30 April 2015 amounting to about RM7,498,000. 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 2016.

# NOTES TO THE FINANCIAL STATEMENTS

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## 27. 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.

	2015 RM'000	2014 RM'000
<b>Results</b>		
Malaysia	40,094	10,759
Indonesia	(13,534)	(4,501)
Singapore	(205)	2,080
Brunei	980	288
Cambodia	(273)	–
	<b>27,062</b>	8,626
Unallocated corporate expenses	(1,505)	(1,418)
	<b>25,557</b>	7,208
Investment related income		
– gain arising from remeasurement	160,457	–
– interest income	458	84
	<b>186,472</b>	7,292
Investment related expenses		
– Corporate exercise expenses	(1,270)	–
Finance costs	(8,890)	(208)
Share of results of joint venture	6,457	17,489
Profit before tax	182,769	24,573
Income tax expenses	(11,670)	(4,460)
Profit for the year	<b>171,099</b>	20,113

	REVENUE RM'000	CAPITAL EXPENDITURE RM'000	ASSETS RM'000	LIABILITIES RM'000
<b>2015</b>				
Malaysia	317,596	32,523	231,471	119,381
Indonesia	13,315	3,989	10,090	4,014
Singapore	38,358	1,776	12,695	5,033
Brunei	6,882	3,842	7,418	2,270
Cambodia	629	612	1,005	227
	<b>376,780</b>	<b>42,742</b>	<b>262,679</b>	<b>130,925</b>
Unallocated items	–	–	451,553	195,514
<b>Total</b>	<b>376,780</b>	<b>42,742</b>	<b>714,232</b>	<b>326,439</b>

# NOTES TO THE FINANCIAL STATEMENTS

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## 27. SEGMENTAL INFORMATION (CONTINUED)

	REVENUE RM'000	CAPITAL EXPENDITURE RM'000	ASSETS RM'000	LIABILITIES RM'000
<b>2014</b>				
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	1,442	5,889	909
	150,369	17,028	82,209	20,947
Unallocated items	–	–	110,631	9,747
<b>Total</b>	<b>150,369</b>	<b>17,028</b>	<b>192,840</b>	<b>30,694</b>

## 28. 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 and exercise price of the ESOS are as follows:

	GRANT DATE	EXERCISE PRICE
First offer	8 March 2011	RM0.50
Second offer	5 August 2013	RM1.62
Third offer	10 June 2014	RM1.45

### Movement of share options during the financial year

The following table illustrates the number ("units") and weighted average exercise price ("WAEP") of, and movements in, share options during the financial year:

	1ST OFFER UNITS	COMPANY 2ND OFFER UNITS	3RD OFFER UNITS	TOTAL UNITS	TOTAL WAEP (RM)
Outstanding at beginning of year	3,275,840	1,048,000	–	4,323,840	0.77
– Granted	–	–	1,250,000	1,250,000	1.45
– Forfeited	(51,080)	(81,000)	–	(132,080)	1.19
– Exercised	(2,014,560)	(283,000)	(500,000)	(2,797,560)	0.78
<b>Outstanding at end of year</b>	<b>1,210,200</b>	<b>684,000</b>	<b>750,000</b>	<b>2,644,200</b>	<b>1.06</b>
<b>Exercisable at end of year</b>	<b>1,210,200</b>	<b>684,000</b>	<b>750,000</b>	<b>2,644,200</b>	<b>1.06</b>

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 28. EMPLOYEES' SHARE OPTION SCHEME (CONTINUED)

Movement of share options during the financial year (continued)

– The weighted average share price at the date of exercise of the options exercised during the financial year was RM2.69.

– The remaining contractual life for these options is 0.85 year.

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 prior financial year.

The fair values of the second option and third option granted at the grant date were estimated to be RM0.58 and RM0.32, respectively.

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	3RD OFFER GRANT DATE 10.06.2014
Dividend yield (%)	5.20	1.92	2.95
Expected volatility (%)	37.55	43.68	43.68
Risk-free interest rate (% p.a)	3.51	3.32	3.46
Expected life of options (Years)	5	2.59	1.74
Underlying share price (RM)	0.635	1.82	1.44

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.

## 29. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the transactions detailed in Note 22, the Group had the following transactions with related parties during the financial year:

	NOTE	GROUP		COMPANY	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Management fees payable to Berjaya Corporation Berhad		300	300	300	300
Purchase of cleaning material from Kimia Suchi Marketing Sdn. Bhd.	a	204	198	–	–
Promotion and advertising expenses charged by Sun Media	b	572	–	10	–
Consultancy fee paid to a director of a foreign subsidiary		13	33	–	–

### Notes:

(a) Subsidiary company of BCorp group.

(b) Associate company of BCorp group.

The purchase of products such as cleaning material 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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 30. 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Short-term benefits	1,994	2,106	333	302
Post-employment benefits	235	67	44	29
	<b>2,229</b>	2,173	<b>377</b>	331

## 31. COMMITMENTS

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Capital expenditure				
Property, plant and equipment				
– approved and contracted for	18,976	4,987	–	–
– approved but not contracted for	8,466	8,575	–	–
	<b>27,442</b>	13,562	–	–

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	
	2015 RM'000	2014 RM'000
Non-cancellable operating lease commitments as lessees		
– Within 1 year after reporting date	63,030	13,675
– Later than 1 year but not more than 5 years	142,256	16,325
– More than 5 years	75,029	665
	<b>280,315</b>	30,665

## 32. CONTINGENT LIABILITY

	GROUP	
	2015 RM'000	2014 RM'000
<b>Unsecured</b>		
Bank guarantees issued to third parties	5,383	288

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 33. 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
<b>2015</b>				
<b>Financial assets</b>				
Trade and other receivables	8	33,821	–	33,821
Deposits with financial institutions	9	963	–	963
Cash and bank balances	10	36,900	–	36,900
Total financial assets		71,684	–	71,684
<b>Financial liabilities</b>				
Trade and other payables	17	–	84,985	84,985
Long term borrowings	13	–	186,626	186,626
Other long term liability	14	–	32	32
Short term borrowings	18	–	4,431	4,431
Total financial liabilities		–	276,074	276,074
<b>2014</b>				
<b>Financial assets</b>				
Trade and other receivables	8	14,622	–	14,622
Deposits with financial institutions	9	1,899	–	1,899
Cash and bank balances	10	17,740	–	17,740
Total financial assets		34,261	–	34,261
<b>Financial liabilities</b>				
Trade and other payables	17	–	17,028	17,028
Other long term liability	14	–	38	38
Short term borrowings	18	–	5,931	5,931
Total financial liabilities		–	22,997	22,997

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 33. 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
<b>2015</b>				
<b>Assets</b>				
Trade and other receivables	8	58,013	–	58,013
Deposits with financial institutions	9	496	–	496
Cash and bank balances	10	6,018	–	6,018
Total financial assets		64,527	–	64,527
<b>Liabilities</b>				
Long term borrowings	13	–	186,626	186,626
Trade and other payables	17	–	13,977	13,977
Short term borrowings	18	–	4,431	4,431
Total financial liabilities		–	205,034	205,034
<b>2014</b>				
<b>Assets</b>				
Trade and other receivables	8	43,070	–	43,070
Deposits with financial institutions	9	1,481	–	1,481
Cash and bank balances	10	1,340	–	1,340
Total financial assets		45,891	–	45,891
<b>Liabilities</b>				
Trade and other payables	17	–	15,744	15,744
Short term borrowings	18	–	5,931	5,931
Total financial liabilities		–	21,675	21,675

### (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
Long term borrowing	13
Other long term liability	14
Trade and other payables	17
Short term borrowings	18

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 34. 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 rates 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<u>Fixed rate instruments</u>				
Financial assets	963	1,899	54,022	44,343
Financial liabilities	42	48	13,027	15,559
<u>Floating rate instruments</u>				
Financial liabilities	191,057	5,931	191,057	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 in change in profit or loss before tax of the Group and of the Company to be higher/lower by RM478,000 (2014: RM15,000). This analysis assumes that all the other variables remain constant.



# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) Market risk (continued)

#### (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 is exposed to various currencies as indicated in Note 2.2(q)(iii). The net unhedged financial liabilities of the Group that are not denominated in their functional currencies are as follows:

FUNCTIONAL CURRENCY OF THE GROUP	USD RM'000	MYR RM'000	TOTAL RM'000
<b>As at 30 April 2015</b>			
Trade and other payables			
MYR	21,151	–	21,151
BND	167	943	1,110
	<b>21,318</b>	<b>943</b>	<b>22,261</b>
<b>As at 30 April 2014</b>			
Trade and other payables			
BND	–	667	667

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in those foreign currencies and MYR exchange rates, against the respective functional currencies of the Group entities, with all other variables remain constant.

	2015 RM'000
<u>Increase/(decrease) to profit net of tax</u>	
USD/MYR – strengthened 10%	(2,115)
– weakened 10%	2,115
USD/BND – strengthened 10%	(17)
– weakened 10%	17
BND/MYR – strengthened 10%	(94)
– weakened 10%	94

In the previous financial year, approximately 1.4% of the Group's costs of sales are denominated in foreign currencies. As such, the Group was not sensitive to foreign currency risk.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 34. 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 minimised 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 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	MORE THAN 5 YEARS RM'000	TOTAL RM'000
<b>2015</b>				
<b>Financial liabilities</b>				
Trade and other payables	84,975	–	–	84,975
Hire purchase payables	13	35	–	48
Borrowings	15,757	194,524	26,733	237,014
	<b>100,745</b>	<b>194,559</b>	<b>26,733</b>	<b>322,037</b>
<b>2014</b>				
<b>Financial liabilities</b>				
Trade and other payables	17,018	–	–	17,018
Hire purchase payables	13	44	–	57
Borrowings	5,931	–	–	5,931
	22,962	44	–	23,006

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

#### COMPANY

	ON DEMAND OR WITHIN ONE YEAR RM'000	ONE TO FIVE YEARS RM'000	MORE THAN 5 YEARS RM'000	TOTAL RM'000
<b>2015</b>				
<b>Financial liabilities</b>				
Trade and other payables	13,977	–	–	13,977
Borrowings	15,757	194,524	26,733	237,014
	<b>29,734</b>	<b>194,524</b>	<b>26,733</b>	<b>250,991</b>
<b>2014</b>				
<b>Financial liabilities</b>				
Trade and other payables	15,744	–	–	15,744
Borrowings	5,931	–	–	5,931
	21,675	–	–	21,675

## 35. 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	
	2015 RM'000	2014 RM'000
Long term borrowing	186,626	–
Short term borrowings	4,431	5,931
Hire purchase	42	48
Total debt	191,099	5,979
Total equity	387,793	162,146
Gearing ratio (%)	0.49	0.04

## 36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- On 9 July 2014, the Company announced that its wholly-owned subsidiary, Berjaya Food International Sdn Bhd ("BFI") had incorporated a new subsidiary, Berjaya Roasters (Cambodia) Ltd ("BRCL") in the Kingdom of Cambodia. BFI had subscribed for 210,000 BRCL shares representing 70% of the issued share capital of BRCL at par value for a total cash consideration of KHR840 million or about RM742,000.
- On 18 September 2014, the Company completed the acquisition of the remaining 50% equity interest in Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") for a total cash consideration of USD88 million (or about RM283.54 million). Consequently, BStarbucks became a wholly owned subsidiary company of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2015

## 37. 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Realised profits	<b>51,081</b>	37,001	<b>53,888</b>	8,945
Unrealised earning/(losses)	<b>1,889</b>	(2,735)	–	(1)
	<b>52,970</b>	34,266	<b>53,888</b>	8,944
Share of results from joint venture	–	22,537	–	–
Total retained profits	<b>52,970</b>	56,803	<b>53,888</b>	8,944
Consolidated adjustments	<b>160,374</b>	(83)	–	–
Retained earnings as per financial statements	<b>213,344</b>	56,720	<b>53,888</b>	8,944

# RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

FOR THE YEAR ENDED 30 APRIL 2015

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 TRANSACTIONED FROM 1.5.14-30.4.15 (RM'000)
<b>Berjaya Corporation Berhad ("BCorp") and its unlisted subsidiaries:-</b>		
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 and other related services by BFood.	43
Berjaya Channel Sdn Bhd	Procurement of advertising services by BFood Group.	48
Berjaya Books Sdn Bhd	Rental payable by Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") at RM9,922 per month or based on 15% of monthly net sales generated, whichever is higher, for renting of shoplot at Lot G16, Ground Floor, The Walk, Jalan PJU 7/3, Mutiara Damansara, 47800 Petaling Jaya, Selangor. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	69
	Rental payable by BStarbucks at RM11,419 per month or based on 15% of monthly net sales generated, whichever is higher, for renting of shoplot at Lot 1F-91 & 92, QueensBay Mall, 100 Persiaran Bayan Indah, 11900 Bayan Lepas, Penang. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	80
Berjaya Education Sdn Bhd	Receipt of education and staff training services by BFood Group.	18
BLoyalty Sdn Bhd	Procurement of reload Procurement of reload card and other related services by Berjaya Roasters (M) Sdn Bhd ("BRoasters").	583
	Loyalty reward charges payable by BStarbucks.	29
Roasters Asia Pacific (M) Sdn Bhd	Royalty fee payable by BRoasters.	545
Roasters Asia Pacific (Cayman ) Limited	Royalty fee payable by PT Boga Lestari Sentosa ("PT Boga") in respect of ongoing training and support services provided.	111
	Advertisement and promotion fund paid/payable by PT Boga.	70
Roasters Asia Pacific (Cayman ) Limited	Royalty fee payable by Berjaya Roasters Cambodia Limited ("BRCL") in respect of ongoing training and support services provided.	5
	Advertisement and promotion fund paid/payable by BRCL.	3
Securexpress Services Sdn Bhd	Provision of transportation services to BRoasters.	22
Kimia Suchi Marketing Sdn Bhd	Purchase of cleaning chemical products by BRoasters.	204
<b>Total</b>		<b>2,130</b>

# RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

FOR THE YEAR ENDED 30 APRIL 2015

BERJAYA FOOD BERHAD ("BFOOD") GROUP WITH THE FOLLOWING RELATED PARTIES	NATURE OF TRANSACTIONS UNDERTAKEN BY BFOOD AND/OR ITS UNLISTED SUBSIDIARIES	AMOUNT TRANSACTIONED FROM 1.5.14-30.4.15 (RM'000)
<b>Berjaya Land Berhad ("BLand") and its unlisted subsidiaries:-</b>		
Cempaka Properties Sdn Bhd	Rental payable at RM5,540 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.	57
	Rental payable at RM900 per month for renting of kiosk by BRoasters at Lot G-29D (Ground Floor), Berjaya Megamall, Kuantan. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	12
	Rental payable by BStarbucks at RM11,270 per month or based on 10% of monthly gross sales generated, whichever is higher, for renting of shoplot and outdoor seating at Lot G-15, Ground Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	88
	Rental payable by BStarbucks at RM250 per month for renting of storage space at Lot S2.B, 2nd Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	2
Kota Raya Complex management Sdn Bhd	Rental payable by BRoasters at RM500 per month for renting of signage at Lot G05, G06, G07 at Kota Raya Complex, Jalan Cheng Lock, Kuala Lumpur.	6
Kota Raya Development Sdn Bhd	Rental payable by BStarbucks at RM9,847 per month for renting of kiosk at Kiosk G1 Sidewalk Café Kota Raya Complex, Jalan Tun Tan Cheng Lock, 50450 Kuala Lumpur. Tenure of rental is for a period of one month and renewable on a monthly basis.	69
Nural Enterprise	Rental payable by BStarbucks at RM1,248 per month for renting of kiosk at Kiosk 1, Ground Floor, Plaza Berjaya, No. 12, Jalan Imbi, 55100 Kuala Lumpur. Tenure of rental is for a period of one month and renewable on a monthly basis.	9
	Rental payable by BStarbucks at RM4,148 per month for renting of office at Lot 1.07-1.08, Podium Block, Plaza Berjaya, No. 12, Jalan Imbi, 55100 Kuala Lumpur. Tenure of the rental agreement is for a period of 2 years and renewable thereafter.	29
Berjaya Guard Services Sdn Bhd	Receipt of security guard services by BStarbucks.	78
<b>Total</b>		<b>350</b>

# RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

FOR THE YEAR ENDED 30 APRIL 2015

BERJAYA FOOD BERHAD ("BFOOD") GROUP WITH THE FOLLOWING RELATED PARTIES	NATURE OF TRANSACTIONS UNDERTAKEN BY BFOOD AND/OR ITS UNLISTED SUBSIDIARIES	AMOUNT TRANSACTIONED FROM 1.5.14-30.4.15 (RM'000)
<b>Berjaya Assets Berhad ("BAssets") and its unlisted subsidiaries:-</b>		
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 RM 18,858 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.	232
	Rental payable at RM22,425 per month for renting of office by BStarbucks at Lot 10-02, Level 10, West Wing, 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.	157
	Rental payable at RM619 per month for renting of store room by BStarbucks at Lot 10-02c, Level 10, West Wing, 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.	4
	Rental payable at RM7,168 per month for renting of shoplot by BStarbucks at Lot No. G-09C and G-09D, Ground Floor, 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.	50
	Rental payable at RM13,818 per month for renting of shoplot by BStarbucks at Lot No. 01-01-28, 1st Avenue, 1st Floor, 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.	97
BTS Car Park Sdn Bhd	Parking charges payable by BFood Group.	82
<b>Total</b>		<b>984</b>
<b>Berjaya Auto Berhad ("BAuto") and its unlisted subsidiaries:-</b>		
Bermaz Motor Trading Sdn Bhd	Purchase of Mazda vehicles, component parts and other related products and procurement of after-sales services by BStarbucks.	15
<b>Total</b>		<b>15</b>

# RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

FOR THE YEAR ENDED 30 APRIL 2015

BERJAYA FOOD BERHAD ("BFOOD") GROUP WITH THE FOLLOWING RELATED PARTIES	NATURE OF TRANSACTIONS UNDERTAKEN BY BFOOD AND/OR ITS UNLISTED SUBSIDIARIES	AMOUNT TRANSACTIONED FROM 1.5.14-30.4.15 (RM'000)
<b>Berjaya Media Berhad ("BMedia") and its unlisted subsidiaries:-</b>		
Sun Media Corporation Sdn Bhd	Procurement of advertising and publishing services by BFood Group.	374
	Procurement of advertising and publishing services by BStarbucks.	198
<b>Total</b>		<b>572</b>
<b>Other related companies:-</b>		
Qinetics Services Sdn Bhd (a)	Purchase of hardware, software and network equipment, maintenance and management service by BFood Group.	136
Tropicana City Sdn Bhd (b)	Rental payable by BRoasters at RM14,553 per month or based on 10% of monthly gross sales generated, whichever is higher for renting of shoptlot and outdoor seating at Lot G-15, Ground Floor, Tropicana City Mall, No. 3, Jalan SS20/27, 47400 Petaling Jaya, Selangor. Tenure of the rental agreement is for a period of 3 years and renewable thereafter. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	243
	Rental payable by BStarbucks at RM19,918 per month or based on 10% of monthly gross sales generated, whichever is higher for renting of shoptlot and outdoor seating at Lot G-01, Ground Floor, Tropicana City Mall, No. 3, Jalan SS20/27, 47400 Petaling Jaya, Selangor.	155
MOL AccessPortal Sdn Bhd (c)	Receipt of advertisement fee by BStarbucks for advertisement placement in retail wifi landing page.	82
<b>Total</b>		<b>616</b>
<b>Grand total</b>		<b>4,667</b>

## Notes:

- 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. 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.
- Tropicana City Sdn Bhd is a wholly-owned subsidiary of Bakat Rampai Sdn Bhd which in turn is a wholly-owned subsidiary of Tropicana Corporation Berhad of which Tan Sri Dato' Tan Chee Sing ("TSDT") is deemed to be a major controlling Shareholders. TSDT is a brother of TSVT and is deemed a Person Connected to TSVT.
- MOL AccessPortal Sdn Bhd is a wholly-owned subsidiary of MOL Global Inc. TSVT and BCorp are Major Shareholders of MOL Global Inc.



# OTHER INFORMATION

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## **MATERIAL CONTRACTS**

Other than as disclosed in Notes 8, 17, 20, 22, 29, 31 and 36 to the financial statements for the financial year ended 30 April 2015, 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 2015 amounted to RM181,000.

# STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 3 AUGUST 2015

## The Company

	NUMBER OF ORDINARY SHARES OF RM0.50 EACH			
	DIRECT INTEREST	%	DEEMED INTEREST	%
Dato' Sri Robin Tan Yeong Ching	2,089,300	0.56	–	–
Dato' Lee Kok Chuan	1,848,200	0.49	–	–
Tan Thiam Chai	260,000	0.07	–	–
Datuk Zainun Aishah Binti Ahmad	104,000	0.03	–	–
Dato' Mustapha Bin Abd Hamid	239,480	0.06	–	–

	NUMBER OF ORDINARY SHARES OF RM0.50 EACH UNDER EMPLOYEES' SHARE OPTION SCHEME			
	DIRECT INTEREST	%	DEEMED INTEREST	%
Tan Thiam Chai	65,800	0.02	–	–
Datuk Zainun Aishah Binti Ahmad	65,800	0.02	–	–
Dato' Mustapha Bin Abd Hamid	42,320	0.01	–	–

	NUMBER OF WARRANTS			
	DIRECT INTEREST	%	DEEMED INTEREST	%
Tan Thiam Chai	120,000	3.09	–	–

## Ultimate holding company: Berjaya Corporation Berhad

	NUMBER OF ORDINARY SHARES OF RM1.00 EACH			
	DIRECT INTEREST	%	DEEMED INTEREST	%
Dato' Sri Robin Tan Yeong Ching	2,222,847	0.05	599,416,995 5,000 #	14.44 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' Sri Robin Tan Yeong Ching	–	–	12,401,200	2.14
Dato' Lee Kok Chuan	22	0.00	17 #	0.00

	NUMBER OF 5% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2012/2022 OF RM1.00 NOMINAL VALUE EACH			
	DIRECT INTEREST	%	DEEMED INTEREST	%
Dato' Sri Robin Tan Yeong Ching	2,620,500	0.38	87,029,000 1,000 #	12.51 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' Sri Robin Tan Yeong Ching	2,620,500	0.37	87,029,000 1,000 #	12.43 0.00
Tan Thiam Chai	20,600	0.00	17,400 #	0.00

# STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 3 AUGUST 2015

**Related companies:  
Berjaya Land Berhad**

	NUMBER OF ORDINARY SHARES OF RM0.50 EACH			
	DIRECT INTEREST	%	DEEMED INTEREST	%
Dato' Sri 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' Sri Robin Tan Yeong Ching	1,000,000	0.07	–	–
Dato' Lee Kok Chuan	61,395	0.00	–	–
Tan Thiam Chai	171,063	0.01	132,221 #	0.01

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

Save as disclosed, none of the other Directors of the Company had any interest in the shares, warrants and debentures of the Company or its related corporations as at 3 August 2015.

**SUBSTANTIAL SHAREHOLDERS AS AT 3 AUGUST 2015**

NAME	NUMBER OF ORDINARY SHARES OF RM0.50 EACH			
	DIRECT INTEREST	%	DEEMED INTEREST	%
Berjaya Group Berhad	195,676,720	52.18	200,000 <sup>(a)</sup>	0.05
Berjaya Corporation Berhad	–	–	195,876,720 <sup>(b)</sup>	52.24
Tan Sri Dato' Seri Vincent Tan Chee Yioun	1,000,000	0.27	199,068,520 <sup>(c)</sup>	53.09
UBS AG London	20,320,600	5.42	–	–

(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 and his deemed interest in Berjaya Retail Berhad.

# STATISTICS ON SHARES AND WARRANTS

AS AT 3 AUGUST 2015

## ANALYSIS OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
less than 100	149	9.37	1,479	0.00
100 – 1,000	561	35.28	257,798	0.07
1,001 – 10,000	568	35.72	2,466,660	0.66
10,001 – 100,000	200	12.58	5,841,025	1.56
100,001 – 18,749,024	107	6.73	164,416,218	43.84
18,749,025* and above	5	0.32	201,997,320	53.87
<b>Total</b>	<b>1,590</b>	<b>100.00</b>	<b>374,980,500</b>	<b>100.00</b>

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 Berjaya Group Berhad	83,376,720	22.24
2 Cartaban Nominees (Tempatan) Sdn Bhd Raiffeisen Bank International Ag, Singapore Branch For Berjaya Group Berhad	40,000,000	10.67
3 Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad For Berjaya Group Berhad	31,000,000	8.27
4 RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad (Berjaya Corp)	27,300,000	7.28
5 Citigroup Nominees (Asing) Sdn Bhd UBS Ag	20,320,600	5.42
6 Maybank Nominees (Asing) Sdn Bhd DBS Bank For Albizia Asean Opportunities Fund (290127)	18,480,000	4.93
7 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad	9,000,000	2.40
8 HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Affin Hwang Select Opportunity Fund (3969)	7,773,100	2.07
9 DB (Malaysia) Nominee (Asing) Sdn Bhd SSBT Fund W4B0 For Wasatch International Opportunities Fund	5,908,278	1.58
10 Lim Boon Liat	5,100,000	1.36
11 Citigroup Nominees (Asing) Sdn Bhd UBS Sec LLC For Chambers Street Global Fund, LP	5,000,100	1.33
12 Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad For Berjaya Group Berhad	5,000,000	1.33
13 Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For CIMB-Principal Small Cap Fund (240218)	4,462,500	1.19
14 CIMB Group Nominees (Tempatan) Sdn Bhd CIMB-Principal Asset Management Berhad For Manulife Insurance (Malaysia) Berhad – (Equity Fund)	4,162,700	1.11

# STATISTICS ON SHARES AND WARRANTS

AS AT 3 AUGUST 2015

## THIRTY (30) LARGEST SHAREHOLDERS (CONTINUED)

NAME OF SHAREHOLDERS	NO. OF SHARES HELD	%
15 HSBC Nominees (Asing) Sdn Bhd BBH And Co Boston For Daiwa Rising Asean Equity Fund (JTSB SMTB)	4,000,000	1.07
16 CIMB Group Nominees (Tempatan) Sdn Bhd CIMB-Principal Asset Management Berhad For Manulife Insurance (Malaysia) Berhad – (Managed Fund)	3,947,600	1.05
17 Citigroup Nominees (Asing) Sdn Bhd Exempt An For Citibank New York (Norges Bank 14)	3,735,000	1.00
18 Amanahraya Trustees Berhad Public Smallcap Fund	3,680,360	0.98
19 Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (RHB Inv)	3,656,000	0.98
20 Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For Manulife Investment – Hw Flexi Fund (270519)	3,566,300	0.95
21 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Arsam Bin Damis (AA0023)	3,500,000	0.93
22 Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Kok Ping	3,500,000	0.93
23 Citigroup Nominees (Asing) Sdn Bhd Exempt An For Citibank New York (Norges Bank 1)	3,372,600	0.90
24 DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt An For Affin Hwang Asset Management Berhad (TSTAC/CLNT-T)	3,301,100	0.88
25 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Retail Berhad	3,191,800	0.85
26 Amanahraya Trustees Berhad Public Strategic Smallcap Fund	3,121,940	0.83
27 Amanahraya Trustees Berhad Affin Hwang Growth Fund	2,821,200	0.75
28 Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For AIA Bhd.	2,441,880	0.65
29 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lye Ek Seang (AL0101)	2,142,200	0.57
30 HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For RHB Growth And Income Focus Trust	2,141,900	0.57
	<b>319,003,878</b>	<b>85.07</b>

# STATISTICS ON SHARES AND WARRANTS

AS AT 3 AUGUST 2015

## ANALYSIS OF WARRANT HOLDINGS

SIZE OF WARRANT HOLDING	NO. OF WARRANT HOLDERS	%	NO. OF WARRANTS	%
less than 100	9	3.24	500	0.01
100 – 1,000	106	38.13	55,640	1.43
1,001 – 10,000	116	41.72	503,400	12.95
10,001 – 100,000	36	12.95	915,540	23.54
100,001 – 194,450	7	2.52	817,140	21.01
194,451* and above	4	1.44	1,596,800	41.06
<b>Total</b>	<b>278</b>	<b>100.00</b>	<b>3,889,020</b>	<b>100.00</b>

\* Denotes 5% of the Warrants outstanding.

## THIRTY (30) LARGEST WARRANT HOLDERS

NAME OF WARRANT HOLDERS	NO. OF WARRANTS HELD	%
1 CIMB Group Nominees (Tempatan) Sdn Bhd CIMB-Principal Asset Management Berhad For Manulife Insurance (Malaysia) Berhad – (Equity Fund)	639,800	16.45
2 Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For CIMB-Principal Small Cap Fund (240218)	442,600	11.38
3 HSBC Nominees (Asing) Sdn Bhd TNTC For APS Fund	285,000	7.33
4 CIMB Group Nominees (Tempatan) Sdn Bhd CIMB-Principal Asset Management Berhad For Manulife Insurance (Malaysia) Berhad – (Managed Fund)	229,400	5.90
5 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yong Chen Kong @ Joseph Yong	125,100	3.22
6 Amanahraya Trustees Berhad Public Smallcap Fund	123,500	3.18
7 Tan Thiam Chai	120,000	3.09
8 Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yong Chen Kong @ Joseph Yong (E-IMO)	119,000	3.06
9 Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Desa Artistik Sdn Bhd (E-SS2)	114,000	2.93
10 Ting Siew Pin	110,000	2.83
11 CIMB Group Nominees (Tempatan) Sdn Bhd PB Trustee Services Berhad For CIMB-Principal Wholesale Equity Fund (50008 HDOF)	105,540	2.71
12 Lee Siew Weng	94,800	2.44
13 RHB Nominees (Tempatan) Sdn Bhd Amara Investment Management Sdn Bhd For Wong Yee Hui	86,300	2.22
14 Yee Han Ming	43,400	1.12

# STATISTICS ON SHARES AND WARRANTS

AS AT 3 AUGUST 2015

NAME OF WARRANT HOLDERS		NO. OF WARRANTS HELD	%
15	Wong Jam Yong	40,000	1.03
16	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Yang Boo Ta @ Yang Yuh Pang (MM1223)	37,000	0.95
17	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Kwong Miao	37,000	0.95
18	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Eg Kaa Chee (STC)	35,000	0.90
19	Tan Gim Eam	31,000	0.80
20	Tan Hock Tong	25,600	0.66
21	Tan May Lee	25,000	0.64
22	Adeline Chew Li Ling	25,000	0.64
23	Lim Shir Lin	25,000	0.64
24	Rajinder Singh A/L Piara Singh	24,000	0.62
25	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ting Hua Hiek	24,000	0.62
26	Yee Jen Cheong	22,400	0.58
27	Eg Kaa Chee	22,000	0.56
28	Loh Li Tyng	22,000	0.56
29	Yeoh Kim Hing @ Yeoh Gim Hin	20,000	0.51
30	Kok May Leng	20,000	0.51
		<b>3,073,440</b>	<b>79.03</b>

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Sixth 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 Monday, 5 October 2015 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 2015 and the Directors' and Auditors' Reports thereon. *(please refer to Explanatory Note A)*
2. To approve the payment of Directors' fees amounting to RM79,397 for the year ended 30 April 2015. **RESOLUTION 1**
3. To re-elect the following Directors who retire pursuant to the Company's Articles of Association:-
  - (a) Dato' Lee Kok Chuan **RESOLUTION 2**
  - (b) Datuk Zainun Aishah Binti Ahmad **RESOLUTION 3**
4. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration. **RESOLUTION 4**
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 5**

**(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 11 September 2015 ("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 such resolution for the Proposed Mandate will be passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;



# NOTICE OF ANNUAL GENERAL MEETING

- (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 ordinary resolution passed by the shareholders of the Company in 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 6

### **(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 total 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 AGM at which such resolution was passed, at which time it will lapse unless by ordinary resolution passed at that general 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;

# NOTICE OF ANNUAL GENERAL MEETING

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 resale 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 7

By Order of the Board

**GAN SWEE PENG**  
Secretary

Kuala Lumpur  
11 September 2015

### NOTES:

- (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 1991 and 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 28 September 2015 shall be regarded as members of the Company entitled to attend the Annual General Meeting or appoint proxies to attend on their behalf.

### EXPLANATORY NOTE A

The audited financial statements are for discussion only under Agenda 1, as it does not require shareholders’ approval under the provisions of Section 169(1) and (3) of the Companies Act, 1965. Hence, it will not be put for voting.

### EXPLANATORY NOTES ON SPECIAL BUSINESS

- (i) Resolution 5 is proposed for the purpose of granting a renewed 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 Fifth Annual General Meeting held on 17 September 2014 and which will lapse at the conclusion of the Sixth 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 6, 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 11 September 2015 which is despatched together with the Company’s 2015 Annual Report.
- (iii) Resolution 7, 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 11 September 2015 which is despatched together with the Company’s 2015 Annual Report.

# 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 Sixth 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 Monday, 5 October 2015 at 10.00 a.m. and at 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 approve payment of Directors' Fees.		
RESOLUTION 2 To re-elect Dato' Lee Kok Chuan as Director.		
RESOLUTION 3 To re-elect Datuk Zainun Aishah Binti Ahmad as Director.		
RESOLUTION 4 To re-appoint Auditors.		
RESOLUTION 5 To approve authority to issue and allot shares.		
RESOLUTION 6 To renew shareholders' mandate for Recurrent Related Party Transactions.		
RESOLUTION 7 To renew authority to purchase its own shares by the Company.		

\_\_\_\_\_  
Signature of Member

**NO. OF SHARES HELD**

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

## 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 1991 and 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.
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- (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 28 September 2015 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 Starbucks Coffee Company Sdn Bhd**

Lot 10-04, Level 10 (West Wing),  
Berjaya Times Square,  
No. 1, Jalan Imbi,  
55100 Kuala Lumpur.

Tel: 03-2052 5888  
Fax: 03-2052 5889

**Berjaya Jollibean (M) Sdn Bhd**

Lot 07-33, Level 7 (West Wing),  
Berjaya Times Square,  
No. 1, Jalan Imbi,  
55100 Kuala Lumpur.

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

**PT. Boga Lestari Sentosa**

Ruko Kebayoran Arcade II, Blok B1 No. 5,  
Pondok Jaya – Pondok Aren,  
Bintaro Sektor 7, Tangerang,  
15224 Indonesia.

Tel: +62 21 7486 7138  
Fax: +62 27 7486 7168

**Berjaya Food Supreme Sdn Bhd**

95 Jalan Pemancha,  
Bandar Seri Begawan BS8811,  
Brunei Darussalam.

Tel: 03-2052 5888  
Fax: 03-2052 5889

**Jollibean Foods Pte Ltd**

No. 63 Ubi Avenue 1,  
#07-06 63@ UBI,  
Singapore 408937.

Tel: +65 6746 3877  
Fax: +65 6746 8802

**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

