BERJAYA

BERJAYA FOOD BERHAD

(Company No. 876057-U)

Annual Report **2016**

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PART II

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 Rights 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 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 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 17th year of operations in December 2015. BStarbucks has more than 215 stores nationwide and is recognised 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. In 2012, it opened its first suburban store in Seri Manjung, Perak. As at 30 April 2016, it has 24 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. As at 30 April 2016, there are 4 Starbucks stores in Brunei.

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.

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.

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)

Tham Lai Heng Michelle
(MAICSA No. 7013702)

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
RHB Bank 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

42 years of age, Malaysian, Male
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 Sompo Insurance Berhad, Berjaya Golf Resort Berhad, KDE Recreation Berhad, Berjaya Roasters (M) Sdn Bhd and Berjaya Starbucks Coffee Company Sdn Bhd. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

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

DATO' LEE KOK CHUAN

57 years of age, Malaysian, Male
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

57 years of age, Malaysian, Male
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 Berjaya 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, a Director of Atlan Holdings Bhd, 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

54 years of age, Malaysian, Female
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.

PROFILE OF DIRECTORS

DATUK ZAINUN AISHAH BINTI AHMAD

70 years of age, Malaysian, Female
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 Penyalarasan Perindustrian before retiring in September 2004.

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

DATO' MUSTAPHA BIN ABD HAMID

63 years of age, Malaysian, Male
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;
3. any conviction for offences within the past 5 years other than traffic offences; and
4. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT

DATO' SRI ROBIN TAN YEONG CHING

42 years of age, Malaysian, Male
Executive Chairman

He was appointed to the Board of the Company as Executive Chairman on 20 May 2010. His profile is listed in the Profile of Directors on page 03 of this Annual Report.

DATO' LEE KOK CHUAN

57 years of age, Malaysian, Male
Chief Executive Officer

He was appointed to the Board of the Company as Chief Executive Officer on 20 May 2010. His profile is listed in the Profile of Directors on page 03 of this Annual Report.

SYDNEY LAWRANCE QUAYS

48 years of age, Malaysian, Male
Managing Director

He graduated with Honors from the American Hotel and Lodging Association, United States of America majoring in Hospitality Management and Marketing. He started his career in the hotel industry and subsequently worked in the Quick Service Restaurant (QSR) industry before joining Golden Arches Restaurants Sdn Bhd (operator of McDonald's) as a Restaurant Manager from 1993 to 1995.

He was a pioneer with Berjaya Starbucks Coffee Company Sdn Bhd since 1998 and was appointed as Managing Director of Berjaya Starbucks Coffee Company Sdn Bhd on 31 October 2012 and Berjaya Food Supreme Sdn Bhd on 24 September 2013. He is currently responsible for the overall management and business strategy for Starbucks in both Malaysia and Brunei.

LEE SIEW WENG

53 years of age, Malaysian, Male
Senior General Manager

He started his career in 1982 when he joined Golden Arches Restaurants Sdn Bhd (operator of McDonald's) as a crew member and graduated from Hamburger University, Chicago, United States of America (Dean's List). He subsequently joined Berjaya Group as a Store Manager in Berjaya Roasters (M) Sdn Bhd in 1994. He also spent five years working as Senior Operation Manager in Berjaya Starbucks Coffee Company Sdn Bhd from 1998 to 2003 before rejoining Berjaya Roasters (M) Sdn Bhd as Deputy General Manager in 2003.

He was appointed as Senior General Manager of Berjaya Roasters (M) Sdn Bhd on 1 January 2009 and he currently oversees the entire operation of Kenny Rogers Roasters in both Malaysia and Indonesia.

Save as disclosed, none of the Key Senior Management have:-

1. any directorship in public companies and listed issuers;
2. any family relationship with any directors and/or major shareholders of the Company;
3. any conflict of interest with the Company;
4. any conviction for offences within the past 5 years other than traffic offences; and
5. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

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 2016.

BStarbucks introduced its first premium Starbucks Reserve Store at the Gardens Mall, Kuala Lumpur in October 2015.

FINANCIAL RESULTS

For the financial year ended 30 April 2016, the Group recorded a higher revenue of RM554.36 million in comparison to a revenue of RM376.78 million in the previous financial year. Pre-tax profit for the financial year under review increased to RM35.62 million from RM23.6 million in the previous financial year, after excluding the net remeasurement gain of about RM159.2 million.

The increase in both revenue and pre-tax profit were mainly attributed to the full effect of consolidating Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks"), which became a wholly-owned subsidiary of the Group in the second quarter of the financial year 2015.

DIVIDEND

For the financial year ended 30 April 2016, the Group had declared and paid a total dividend of 4.25 sen single-tier dividend per share (5.75 sen single-tier dividend per share for the previous financial year ended 30 April 2015).

The total dividend paid was approximately RM16.01 million which represented approximately 75% of the attributable profit of the Group for the financial year ended 30 April 2016.

KRR's 11th Annual ROASTERS Chicken Run 2015 raised RM66,000 in support of the Food Aid Foundation.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

BFood and its subsidiaries are committed to making a positive impact to the communities where it operates through various CSR initiatives.

Reaching Out and Giving Back to the Communities

Berjaya Roasters (M) Sdn Bhd ("BRoasters") continued its tradition of giving back to the communities through its annual programmes such as the ROASTERS Chicken Run and the Wishing Tree campaign under the Kenny Rogers Roasters ("KRR") Community Chest programme started in 2005.

The 11th Annual ROASTERS Chicken Run in 2015 successfully raised RM66,000 in support of the Food Aid Foundation to provide 2,000 sets of nutritious meals for more than 20 charitable homes as well as monthly provisions for poor families and other organisations supported by the Foundation. Since its inception, the ROASTERS Chicken Run has raised more than RM600,000 for numerous charitable organisations and homes.

The 11th Annual Wishing Tree campaign continued to bring cheer and smiles to more than 2,500 children nationwide. Since its initiation, the campaign has fulfilled more than 16,800 wishes. As part of the "I Love i.care for My Community" campaign, BRoasters also distributed more than 200 meals and red packets to five charitable homes during the festive seasons.

EXECUTIVE CHAIRMAN'S STATEMENT

The mengkuang-based handicraft products are available at selected Starbucks outlets.

Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") continued to empower the lives of the local communities through the Connecting Communities programme launched in 2013. As part of its ongoing initiative to promote mengkuang-based handicraft products in partnership with Craft CT 01 Enterprise, BStarbucks featured a large wall embedded with local elements such as reclaimed wood, weaved mengkuang mats and burlap bags together with a long community table with hand carvings in its 200th Starbucks store at the ANSA Hotel Kuala Lumpur. The full range of Starbucks mengkuang-based products such as the hot cup sleeves, coasters, bookmarks, pouches, placemats and cardholders are available for sale in three selected Starbucks stores while selected mengkuang-based products are retailed at fifty stores nationwide. Through the programme, BStarbucks has purchased mengkuang-based products worth a total of RM134,117 from the local community in Felda Chini Timur Satu, Pekan Pahang.

In support of the local banana farming communities, BStarbucks purchased raw bananas from two more communities, namely Kampung Parit Serong and Kampung Sungai Gulang-Gulang in Kuala Selangor, in addition to Kampung Lubuk Jaya. Since March 2016, all Starbucks stores in the Peninsular Malaysia have been using raw bananas from the three villages for the production of its Signature Banana Chocolate Chip Muffins.

In April 2016, BStarbucks celebrated its 6th annual Global Month of Service ("GMoS") with 213 partners (employees) and 289 customers dedicating a total of 3,012 community service hours for the Empowering Young Minds programme that ran concurrently in 9 locations across Malaysia. The programme aimed to empower children to express their thoughts and creativity through writing. Over the years, BStarbucks has engaged with 3,573 volunteers and participated in more than 123 projects contributing approximately 59,665 community service hours for this annual initiative.

BStarbucks' volunteers guiding the children to express their creativity through writing and drawing in the Empowering Young Minds programme.

Interactive and team-building activities during BRoasters' Annual Business Plan Meeting.

BStarbucks' Community Service Grant programme provided USD10,000 for the second consecutive year in support of the E-learning programme for the children of Kampung Lubuk Jaya, Kuala Selangor in collaboration with Persatuan Kebajikan Hope Worldwide. The programme, conducted at the Starbucks Community Computer Centre, benefitted a total of 205 students with 103 hours of classes conducted so far.

In line with its objective of promoting literacy and education, BRoasters and BStarbucks supported the operating cost of two community education centres providing free English, computer and personal development lessons to underprivileged children and adults across the country.

Workplace

BFood and its subsidiaries continued to place greater emphasis on human capital development through various employee development programmes such as the Annual Business Plan Meetings and Leadership Conventions as well as other reward and incentive programmes. To foster a cohesive and productive working environment, several sporting events and team-building activities were also organised.

EXECUTIVE CHAIRMAN'S STATEMENT

BStarbucks' first Leadership Conference for Assistant Store Managers was held in Port Dickson, Negeri Sembilan.

The second generation of the "i.Care Box" was introduced by BRoasters in 2015.

As food and service quality are two important elements for the food and beverage industry, BRoasters introduced various quality control initiatives such as the Total Quality Management Award and Mystery Guest Snapshot Award to further improve its business competitiveness.

BStarbucks also organised leadership development programmes and professional certification programmes for employees of different levels to further enhance their skills and knowledge. In September 2015, BStarbucks held its first Leadership Conference for Assistant Store Managers in Port Dickson, Negeri Sembilan. The conference themed "Make It Personal, Inspire & Engage" was attended by 100 assistant store managers who participated in various team-building programmes and activities revolving around the business and the company's missions and goals.

In December 2015, BStarbucks celebrated its 17th anniversary with 600 partners (employees). Several awards such as the Service Awards and Operations Awards were presented to dedicated partners in recognition of their enthusiasm and outstanding performance.

Small Steps to Care for the Environment

BRoasters and BStarbucks supported the "Shelter in The Sea for Marine Life" coral reef propagation project in August 2015. The project which was initiated by the Berjaya Group's Founder, Tan Sri Dato' Seri Vincent Tan Chee Yioun, involved the laying of 67 concrete pipes, ranging from one to two metres in diameter, on the seabed between Berjaya Tioman Resort Dive Centre and Renggis Island off Johor to encourage coral growth and also provide protection for marine life.

In an effort to raise awareness on green consciousness, BRoasters introduced its second generation of the "i.Care Box" in 2015. Since its introduction in 2011, more than 128,000 units have been sold.

Starbucks' stores nationwide turned off their non-essential lights for one hour in support of the Earth Hour global campaign held in March 2016.

As part of the company's recycling efforts, BStarbucks continued to provide soil-enriching coffee grounds to its customers under the "Grounds for Your Garden" programme with 89% of its stores participating in the programme. The new packaging of 1kg bag of soil-enriching coffee grounds was introduced in January 2016 with a total of 77,172 bags provided by BStarbucks to its customers between January to April 2016.

In March 2016, BStarbucks collaborated with the Forestry Department of Klang to plant 200 mangrove trees in Pulau Indah, Selangor to preserve the ecosystem of the island.

BStarbucks also continued to encourage its customers to bring their own tumblers to reduce the usage of disposable cups under its "Bring Your Own Tumbler" programme. In conjunction with Earth Hour held in March 2016, all Starbucks' stores nationwide turned off its non-essential lights for one hour in support of the global campaign that aimed to raise awareness about climate change. A series of special promotions were offered to encourage customers to participate in this global initiative.

EXECUTIVE CHAIRMAN'S STATEMENT

Interior view of the Starbucks store at the Kuala Lumpur International Airport's Contact Pier.

FUTURE PROSPECTS

The Malaysian economy recorded a growth of 4.2% in the first quarter of 2016 and is expected to sustain a stable growth trend despite challenges from the economic environment domestically and globally. However, domestic consumption is projected to grow at a moderate pace as a result of consumers adjusting to higher living costs and being more cautious in spending.

Despite the economic uncertainties and weak consumer sentiments, the Group still recognises potential in different areas and will improve on its expansion plans to stimulate further growth. The Group will continue to focus on its business expansion at strategic locations in both its local and overseas markets depending on the strength and target markets of its respective brands.

In addition, the respective brands under the Group will also continue to introduce innovative menu offerings and new product lines to meet public demand in this competitive industry. Loyalty card programmes and rewarding promotions will also be carried out to drive brand loyalty and to attract the interest of potential customers. The brands will also leverage on digital and social media platforms to engage with the public to further strengthen brand presence and foster stronger relationships with their customers.

The Group's food and beverage businesses will also review their operational plans to optimise resources and improve on operational efficiency in this challenging environment. The Group expects BStarbucks to maintain its revenue growth momentum, especially with its new fast moving consumer goods business, and contribute positively to the operating results of the Group going forward.

Jollibean's outlet in Ng Teng Fong General Hospital located at Jurong East, Singapore.

Exclusive Starbucks Hari Raya Aidilfitri Card launched by BStarbucks in conjunction with the festive celebration.

APPRECIATION

On behalf of the board, I would like to express our gratitude to all our loyal customers and business partners for their unwavering confidence and support towards the Group.

I would also like to extend my appreciation to my fellow colleagues on the Board, the management team, and the committed front line staff who have worked hard in contributing to the growth of the Group. I believe that with teamwork and commitment from everyone in our big family, the Group will continue to grow and strive towards more success in the future.

Dato' Sri Robin Tan Yeong Ching
Executive Chairman

15 August 2016

MANAGEMENT DISCUSSION & ANALYSIS

Khairy Jamaluddin, Minister of Youth and Sports presenting the Social Media Excellence Award to BRoasters at the World Bloggers & Social Media Awards 2015.

One of the new KRR Card designs, the ROASTERS Chicken Run'15 card.

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 of Kenny Rogers Roasters ("KRR") chain of restaurants in Malaysia and is principally engaged in the development and operation of the KRR restaurants. As at 30 April 2016, there are 100 KRR restaurants across Malaysia.

Revenue

BRoasters registered a 10.6% decrease in revenue, from RM101.9 million in the previous financial year to RM91.1 million for the current financial year under review. The lower revenue was mainly attributed to weak consumer spending sentiment as a result of the uncertain economic climate and the impact from the implementation of the Goods and Services Tax ("GST").

Profit Before Tax

BRoasters' profit before tax decreased to RM2.5 million from RM9.5 million in the previous financial year mainly due to lower sales transactions recorded, higher rental expenses, higher raw material costs and higher operating costs.

Business Strategy and Future Prospects

BRoasters will introduce a new range of products and enticing menu offerings, as well as capitalise on its KRR Reload Card Loyalty Programme to encourage consumer spending. The company will also review its operational efficiency for business sustainability and to remain competitive in the ever challenging food and beverage industry. BRoasters will continue to embark and leverage on online marketing and digital media advertising to increase its brand awareness among teenagers and young working adults.

PT BOGA LESTARI SENTOSA

Overview

PT Boga Lestari Sentosa ("PT Boga") was incorporated in Indonesia in June 2006, and is involved in the development and operation of the KRR chain of restaurants in Java Island, Indonesia. As at the financial year ended 30 April 2016, PT Boga operates 23 KRR restaurants in Indonesia.

Revenue

PT Boga registered a 7.5% decrease in revenue, from RM13.3 million in the previous financial year to RM12.3 million for the financial year ended 30 April 2016. The decrease was mainly due to the closure of five restaurants during the financial year under review.

Loss Before Tax

PT Boga's loss before tax reduced by 46.9% to RM7.6 million compared to the RM14.3 million loss before tax recorded in the previous financial year. The improvement was mainly due to lower operating costs resulting from the closure of non-performing stores during the financial year under review.

Business Strategy and Future Prospects

Moving forward, PT Boga will focus on increasing sales by embarking on more joint promotions and strategic collaborations with main telecommunication companies and some of the established banks and corporations in Indonesia. PT Boga will also introduce a variety of new food products that suit the local market.

MANAGEMENT DISCUSSION & ANALYSIS

Starbucks store at Batu Feringghi, Penang.

The Starbucks Coffee Wafer Rolls introduced by BStarbucks during Chinese New Year.

BERJAYA STARBUCKS COFFEE COMPANY SDN BHD

Overview

Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks"), a wholly-owned subsidiary of BFood, 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.

The company is in the business of providing high-quality whole bean coffees, along with fresh, rich-brewed coffees, Italian-style espresso beverages, cold blended beverages, a variety of pastries and confections, coffee-related equipment and accessories, and a selection of premium teas. As at 30 April 2016, BStarbucks has 215 stores across Malaysia.

Revenue

For the financial year ended 30 April 2016, BStarbucks recorded a revenue growth of 16.85% to RM404.9 million from RM346.5 million in the previous financial year. The increase in revenue was mainly attributed to rapid retail store expansion where the number of stores increased from 193 stores to 215 stores.

The introduction of new beverages and various marketing promotions on different platforms were put in place to continue capturing public interest towards Starbucks products. The Starbucks Card Programme recorded a strong card transaction usage of 46%, contributing a total of RM217.6 million to BStarbucks' revenue as compared to the previous financial year of RM153.6 million. As at 30 April 2016, there were a total of 1.35 million registered My Starbucks Rewards members and a total of 4.2 million Starbucks Cards in active circulation nationwide.

Profit Before Tax

Despite the higher operating costs and cautious consumer spending sentiment, BStarbucks registered a higher profit before tax of RM54.4 million for the financial year under review compared to RM52.6 million in the previous financial year. The increase in profit before tax was attributed to its ongoing attractive promotional campaigns and cost management strategy.

Business Strategy and Future Prospects

BStarbucks will continue to strive for higher growth by targeting to open another 25 new stores in the financial year 2017. The company will focus on the unique store design and concept to strengthen its position as the market leader of premium coffee beverages in Malaysia.

BStarbucks will continue to improve its menu offerings with more innovative food and beverage products to resonate with customer demands. The Starbucks Card will also remain a main focus of BStarbucks through the introduction of innovative card designs and reward programmes to drive brand loyalty and spending frequency. In addition, BStarbucks will continue to leverage on mobile applications and social media to increase brand affiliation and connectivity with customers.

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 and is principally engaged in the operation of Starbucks retail stores in Brunei.

The first Starbucks store in Brunei was opened in Mabohai Shopping Complex on 16 February 2014. To date, BFS has 4 Starbucks stores including 1 drive thru concept store.

Revenue

For the financial year ended 30 April 2016, BFS's revenue increased to RM7.8 million from RM6.9 million in the previous

MANAGEMENT DISCUSSION & ANALYSIS

Hari Raya gathering with digital followers and business partners at Starbucks Brunei.

Jollibean 6-in-1 Dip Mini Rolls.

financial year. The increase in revenue was mainly due to the opening of an additional store at Kuala Belait, and the effective execution of various marketing programmes, together with event collaborations with corporate and government bodies. The Kuala Belait store has attracted many expatriates working in major oil and gas companies as well as local and foreign students from the international schools around the area.

Profit Before Tax

For the financial year ended 30 April 2016, the profit before tax of BFS decreased to RM578,000 from RM975,000 in the previous financial year. The decrease was mainly due to higher occupancy cost as a result of the full rent consolidation of the fourth store with higher seating capacity which opened at the end of 2015. In addition, the lower profit was also impacted by the additional depreciation charge on capital expenditure incurred for the adoption of innovative design in the newly opened store.

Business Strategy and Future Prospects

BFS will focus on sales growth as one of its key performance indicators and continue with its store expansion plan with the target of opening one new store in the financial year 2017.

BFS will also continue to develop innovative food and beverage product offerings and carry out loyalty programmes and activities to strengthen the Starbucks brand position in Brunei.

JOLLIBEAN FOODS PTE LTD

Overview

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

The Jollibean brand has become a household name since its introduction in 1995, and is one of the leading soya bean food and beverage retail chains in Singapore. As at 30 April 2016, Jollibean Foods has 47 outlets in Singapore.

Revenue

For the financial year ended 30 April 2016, Jollibean Foods registered a revenue of RM36.7 million compared to RM38.4 million in the previous financial year. The decline in revenue was mainly due to the closure of its key outlets in the shopping malls which underwent upgrading programmes, coupled with less than satisfactory performance of its newly opened outlets and the generally weak consumer spending sentiment in Singapore.

Loss Before Tax

For the financial year ended 30 April 2016, Jollibean Foods recorded a net loss before tax of RM2.4 million compared to a net loss before tax of RM206,000 in the previous financial year. The loss was mainly due to lower sales, new outlets with higher rents not achieving the minimum sales projection, rising manpower costs, higher depreciation due to capital expenditure on new outlets and impairment loss from its investment in a subsidiary in Malaysia.

Business Strategy and Future Prospects

Moving forward, Jollibean Foods will focus on certain core areas under its "Comprehensive Turnaround Plan". Through its structure optimisation programme, Jollibean Foods will employ talents to address the inconsistency of its product quality across all the retail outlets in Singapore and identify strategic and potential locations to set up new retail outlets as part of its business growth plan.

Jollibean Foods will also review its operations and administrative procedures in order to practise a more cost efficient approach to reduce its operating and administrative costs. In addition, the company will continue to strengthen its brand name as one of the leading soya bean food and beverage retail chains in Singapore via extensive social media and digital marketing to penetrate a wider group of consumers, particularly the younger generation and working adults.

AWARDS, MENU OFFERINGS AND MARKETING & PROMOTIONS

BRoasters received the Best Franchise Corporate Social Responsibility Award for the second consecutive year at the Malaysia Franchise Awards 2015.

Kenny's Wholesome Meal is one of the new dishes that was introduced by KRR to provide more options of well-balanced meals.

BStarbucks was recognised as one of the Best Companies to Work For in Asia 2015 by HR ASIA.

Starbucks Malaysia launched a variety of new food offerings for its customers.

AWARDS RECOGNITION

During the financial year under review, the companies under Berjaya Food Berhad received numerous awards in recognition of their outstanding performance in different areas.

Berjaya Roasters (M) Sdn Bhd's ("BRoasters") constant efforts in initiating Corporate Social Responsibility activities once again won them the Best Franchise Corporate Social Responsibility Award at the Malaysia Franchise Awards for the second year in a row. KRR also received the Social Media Excellence Award under the Food & Beverage category in the Malaysia Social Media Week Awards 2016 for the second consecutive year for their active engagement in the social sphere with good social media practices.

Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") has always recognised the importance of human capital development within the organisation. In recognition of its effort in this area, the company was awarded the Silver Award Winner (Employer of Choice Category) and the Gold Award Winner for HR Leader of the Year (June Beh, Director of Partner Resources & Compliance, Starbucks Malaysia & Brunei) at the Malaysia HR Awards 2015 organised by the Malaysian Institute of Human Resource Management (MIHRM) in October 2015.

BStarbucks was also recognised by HR ASIA as one of the Best Companies to Work For in Asia 2015, and was presented with the Malaysia Best Employer Brand Awards 2016 by Employer Branding Institute in April 2016.

MENU OFFERINGS

The Group has always been innovative in developing new menu offerings to adapt to the ever changing taste and demands of the consumers.

Kenny Rogers Roasters ("KRR") has continued to advocate healthy living by providing well-balanced meals which is aligned to its brand image. Seasonal food promotions such as the Seri Lagenda Chicken, Honey Glazed Chicken, Hot Fiery Feast, Golden Abundance Meal, and more were introduced during the financial year under review.

To provide more wholesome food options, KRR introduced 14 dishes to its menu, among which included Chunky Veggie, Kenny's Wholesome Meal for sharing, Teriyaki Chicken Meal, Teriyaki Chicken Lite Meal, Teriyaki Chicken & Soup Meal, Grilled Beef Steak, Classic Chicken Sandwich and 'Egg'cellent Sandwich. This also included the Lite Up Your Meal selection that provides diners with a hearty meal in petite portions such as the T-Chic Rice, Italian Delight and House Favourite.

As the leading specialty coffee company in Malaysia, Starbucks Malaysia has always been innovative in its menu offerings in order to strengthen its brand position in the market. During the financial year under review, the company revamped its food menu and launched a new range of food offerings to meet its customers' needs. The new variety of food included Forest Mushroom Soup, Herbs Chicken and Tomato, Potato

AWARDS, MENU OFFERINGS AND MARKETING & PROMOTIONS

KRR introduced the Seri Lagenda Chicken meals in conjunction with the month of Ramadan.

The Exclusive Assorted Zesty Pineapple Delights presented by Starbucks Malaysia during the Hari Raya Aidilfitri festive season.

Four different flavours of Starbucks Mid-Autumn Mooncakes were launched during the Mooncake Festival.

Sushi Deli's new product offering – Brown Rice Maki.

Gratin Pie, Delectable Strawberry White Chocolate Roll, Banana Greek Yogurt with Granolas and many more items, all of which customers can pair with their favourite coffee. Starbucks Malaysia also introduced their new refreshing beverages, the Starbucks Fizzio Sparkling Beverages in August 2015. The Starbucks Fizzio Sparkling Beverages are specially handcrafted for each customer and are available in two flavours – the Lemon Ginger Starbucks Fizzio with Mango Jelly Sparkling Beverage and Summer Berry Starbucks Fizzio with Mango Jelly Sparkling Beverage.

Starbucks Malaysia also introduced several festive themed offerings. During the Hari Raya Aidilfitri season, Starbucks Malaysia presented the Exclusive Assorted Zesty Pineapple Delights which came in Pineapple, Chocolate Strawberry and Green Tea Blueberry flavours while the Starbucks Exclusive Coffee Wafer Rolls were introduced for the Lunar New Year. The Starbucks Mid-Autumn Mooncakes were a unique blend of fusion Japanese, modern Western and localised flavours, namely the Chewy Nutty Cranberry Mooncake, Green Tea Azuki Mooncake, Apricot Hazelnut Latte Mooncake and the Signature Durian Mooncake. Starbucks Malaysia also introduced a range of sweet treats which included the Starbucks Chocolate Noir Cake, Starbucks Red Velvet Baked Cheese Cake and Starbucks Red Velvet Chocolate Popping Heart for Valentine's Day.

Starbucks Malaysia also introduced seasonal drinks such as the Burnt Caramel Macchiato and Chocolate Hazelnut Macchiato in its spring season campaign while the Roasted Marshmallow S'Mores Frappuccino and Key Lime Pie Frappuccino were released for the summer season campaign.

In Singapore, Jollibean introduced a few new offerings to its existing menu which included the Brown Coconut Mee Chiang Kueh, Orange Coconut Mee Chiang Kueh and J Yuan Soy Pudding. Jollibean also launched a few seasonal pancakes such as Peanut & Sweet Corn Mini Rolls and Durian Cream Oval Maru in conjunction with Singapore's 50th Birthday celebrations (SG50) while the sinfully Double & Triple Caramel Chocolate Maru was introduced during the Christmas season. Sushi Deli introduced an interesting range of brown rice sushi with popular ingredients such as unagi, kani mayo, salmon mayo, spicy tuna and others to provide more alternatives to their customers. Kopi Alley introduced a Yam & Butter Toast set during the Lunar New Year season as the Chinese character for "Yam" symbolises prosperity and luck.

NEW CONCEPT STORE

In October 2015, BStarbucks opened its first premium Starbucks Reserve Store at the Gardens Mall, Kuala Lumpur to further enhance Starbucks' leading brand position in the market. With its unique and remarkable store design, and the attentive skills and passionate delivery of its coffee masters, the Starbucks Reserve Store offers all coffee lovers not only excellent reserve coffee beans, but also an unprecedented coffee experience.

AWARDS, MENU OFFERINGS AND MARKETING & PROMOTIONS

Students of SJK (C) Jalan Imbi, Kuala Lumpur were all smiles during the KRR "Healthy Me, Happy Me" workshop.


KRR's representatives together with the sponsors and participants of the 10th ROASTERS Health Watch, themed "Intervarsity Health War".

The "Starbucks Doodle It" campaign showcased the creativity of local talents on Starbucks merchandise.

BStarbucks garnered nearly 900 Instagram postings with its #jomSTARBUCKS social media campaign.

MARKETING & PROMOTIONS

All the brands under the Group are constantly adopting various marketing & promotion strategies to engage with their customers, and drive brand awareness and revenue for the Group. The companies reach out to potential customers through various marketing channels and promotional tools such as the rewarding brand loyalty cards, new menu offerings, sponsorships, social media, interactive programmes and on-ground events.

In celebration of KRR's 22 years in Malaysia, BRoasters launched the "22 Deliciously Healthy Years" campaign in April 2016. Diners at KRR restaurants across Malaysia enjoyed a free Country-style Chicken Soup and Iced Lemon Tea with any main meal purchased as a token of appreciation for their support. Additionally, BRoasters also leveraged on their social media platform by contributing a Kenny's Quarter Lite Meal to selected charitable organisations for every 22 likes received on their Facebook post.

As an advocate of healthy eating lifestyle, BRoasters believes that the practice begins at a young age and this inspired the introduction of its Muffins @ Schools campaign whereby BRoasters visited various public schools to carry out "Healthy Me, Happy Me" workshops and distributed muffins and goodie bags to students. The inaugural Muffins @ Schools event took place at SJK (C) Jalan Imbi with the participation of over 250 people including students, teachers and staff of the school.

In its continuous efforts to raise awareness amongst youth on healthy living, the ROASTERS Health Watch programme returned for the 10th time with a new theme entitled "Intervarsity Health War". The programme brought together students from various colleges and universities to compete for the winning title and also the ultimate objective of being fitter and healthier. By working together with Original Bootcamp, BRoasters brings fitness outdoors to engage with the youths outside of their classrooms.

To enable customers to customise their Starbucks merchandise according to their personal preferences, BStarbucks introduced the "Starbucks Doodle It" campaign at several of its stores around Klang Valley in April 2016. Twelve local talented artists from Kuala Lumpur were stationed in these stores to help draw or doodle on Starbucks merchandise bought by customers. The programme received positive response from the public and is slowly expanding to other areas around Malaysia.

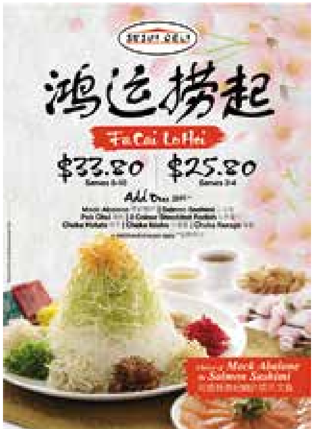
BStarbucks is also leveraging on the digital platform to engage with its followers through different promotional campaigns. During Ramadan 2015, BStarbucks launched the #jomSTARBUCKS campaign where different promotions were offered each week. The #jomSTARBUCKS campaign which means 'Let's Starbucks' encouraged Muslim friends to drop by Starbucks stores after their "Tarawih" prayers and enjoy moments of connection. The #jomSTARBUCKS campaign was widely spread among digital followers, garnering nearly 5,000 shares on Facebook and

AWARDS, MENU OFFERINGS AND MARKETING & PROMOTIONS

The first group of customers to taste the new seasonal beverage at the Starbucks Summer Sneak Preview 2016 event.

BStarbucks offered fresh coffee to the participants of the Halal Fun Ride organised by the Department of Islamic Development Malaysia.

Participants and Starbucks' partners at the #BeautifulBrunei campaign gathering hosted by Starbucks Brunei.



Jollibean's and Sushi Deli's promotional campaigns in Singapore.

close to 900 postings with this hashtag on Instagram. Another interactive digital campaign, #MalaysianSmiles also garnered close to 1,000 photos shared where smiles from customers were collected through a few social media channels and a collage of "Malaysian Smiles" was created in conjunction with Malaysia Day on 16 September 2015.

Prior to the launching of its spring and summer seasonal campaigns, BStarbucks invited a number of customers for a sneak preview of its upcoming seasonal drinks at five different states to establish a stronger bond between its partners and customers. Other than tasting the new seasonal beverages first hand, the selected customers also had the first glimpse of upcoming seasonal merchandise which were available throughout the seasonal campaigns.

In August 2015, Starbucks sponsored lucky draw prizes as well as coffee for the participants of the Halal Fun Ride organised by the Department of Islamic Development Malaysia. The objective of the event, which attracted close to 3,500 participants was to increase public awareness on the importance of Malaysia's halal certification and the event was significant in reinforcing Starbucks as a certified halal brand in Malaysia.

In Brunei, Starbucks is also actively engaging with the customers and communities. In partnership with Brunei Tourism, Starbucks Brunei launched the #BeautifulBrunei campaign, an initiative to promote Brunei as a tourist destination, featuring the local people, culture and lifestyle. Participants shared breathtaking photos of Brunei on Starbucks Brunei's social media platform and prizes were awarded to the winner. The campaign received favourable response from the public and collected over 300 photos.

In Singapore, Jollibean celebrated its 20th anniversary in September 2015 by rewarding its loyal base of customers with exclusive discounts. Jollibean also engaged with bloggers to elevate product awareness during the launch of its Caramel Chocolate Maru. Special promotions of the new products were also made available through Groupon to attract customers to try out the new offerings.

During the Lunar New Year celebration, Sushi Deli's festive catalogues were distributed together with TODAY newspapers at numerous MRT stations around the residential and Central Business District areas to increase the circulation of the promotional materials. Facebook engagement activities such as giveaway of sushi festive platters were also initiated by Sushi Deli to interact with their digital followers. In addition, Sushi Deli collaborated with Deliveroo, an online delivery service portal to deliver its Lunar New Year special offering, "Fa Cai Lo Hei" to customers right at their doorsteps.

CORPORATE STRUCTURE
AS AT 1 AUGUST 2016

BERJAYA

BERJAYA FOOD BERHAD

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

GROUP
FINANCIAL SUMMARY

Description	2016 USD'000	2016 RM'000	2015 RM'000	2014 RM'000	2013 RM'000	2012 RM'000
Revenue	142,583	554,363	376,780	150,369	121,915	88,598
Profit Before Tax	9,160	35,615	182,769	24,573	21,395	14,635
Profit For The Year	4,512	17,542	171,099	20,113	17,283	10,984
Profit Attributable To Shareholders	5,476	21,290	177,574	22,669	18,628	11,126
Share Capital #	48,648	189,144	187,137	134,556	130,522	71,738
Reserves #	54,105	210,359	207,282	28,231	12,226	(15,667)
Net Equity Funds	**102,753**	**399,503**	**394,419**	**162,787**	**142,748**	**56,071**
Non-Controlling Interests	(2,829)	(11,000)	(6,626)	(641)	1,082	2,533
Total Equity	**99,924**	**388,503**	**387,793**	**162,146**	**143,830**	**58,604**
Long Term Liabilities	45,681	177,606	198,363	5,151	5,071	4,097
Current Liabilities	46,436	180,545	128,076	25,543	18,164	16,670
Total Equity and Liabilities	**192,041**	**746,654**	**714,232**	**192,840**	**167,065**	**79,371**
Property, Plant & Equipment	44,657	173,625	155,504	38,899	30,236	25,335
Intangible Assets	116,166	451,652	447,321	16,088	16,008	1,340
Investment and Other Non-Current Assets	1,397	5,433	4,232	94,543	80,144	108
Current Assets	29,821	115,944	107,175	43,310	40,677	52,588
Total Assets	**192,041**	**746,654**	**714,232**	**192,840**	**167,065**	**79,371**
Net Assets Per Share (USD/RM)	0.27	1.06	1.05	0.60	0.55	0.39
Net Earnings Per Share (Cents/Sen)	1.46	5.66	54.41	8.58	8.17	7.83
Dividend Rate (%)	8.50	8.50	11.50	8.50	7.00	9.00
Net Dividend Amount (USD'000/RM'000)	4,118	16,011	21,451	11,651	9,161	6,433

Notes:

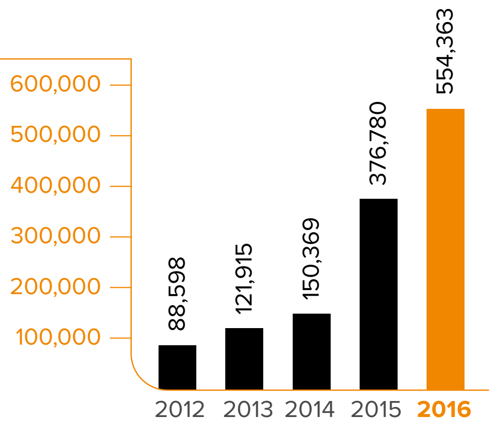
Figures for 2012-2016 are for 12 months ended 30 April. Where additional shares are issued, the earnings per share are calculated based on a weighted average number of shares.

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.

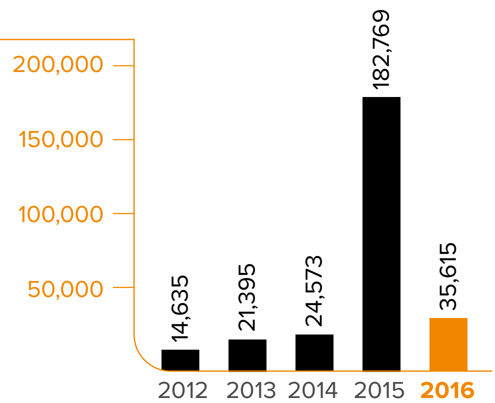
Exchange rate: USD1.00=RM3.888

GROUP FINANCIAL HIGHLIGHTS

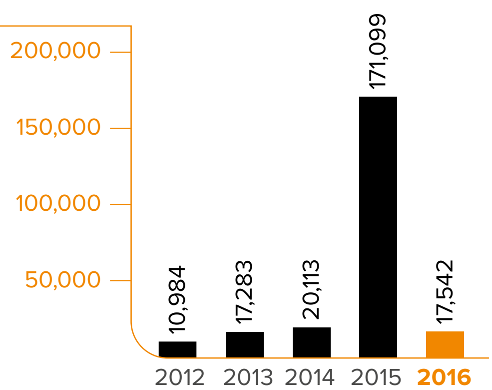
REVENUE
(RM'000)



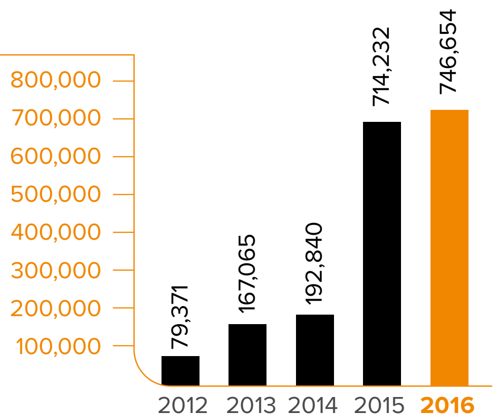
PROFIT BEFORE TAX
(RM'000)



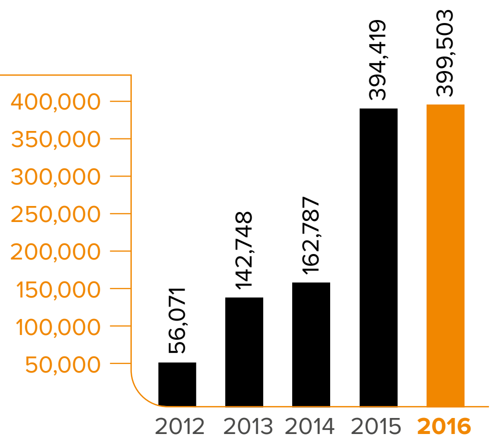
PROFIT FOR THE YEAR
(RM'000)



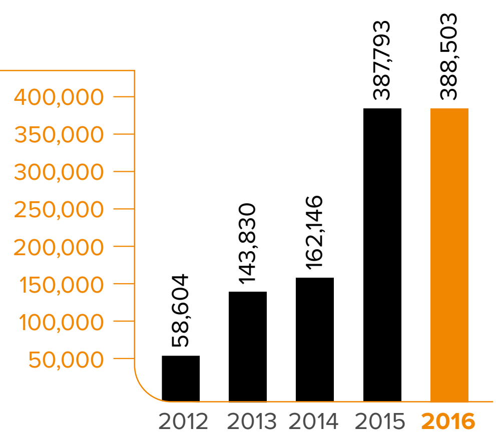
TOTAL ASSETS
(RM'000)



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 Company and its subsidiaries ("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. ROLES AND RESPONSIBILITIES

Functions of the Board and Management

The Board is responsible for the performance and affairs of the Group and to provide leadership, guidance and setting strategic direction for the Group.

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.

The CEO and Management meet regularly to review and monitor the performance of the Group's operating divisions. The CEO briefs the Board on the Group's business operations and Management's initiatives during the Board meetings.

Non-Executive Directors are not involved in the day-to-day management of the Group but contribute their own particular expertise and experience in the development of the Group's overall business strategy. Their participation as members of the various Board Committees also contributed 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 also supported by the different Board Committees to provide independent oversights of management and to ensure that there are appropriate checks and balances. The Board Committees comprise the Audit and Risk Management Committee ("ARMC"), Nomination Committee, Remuneration Committee and Employees' Share Option Committee. Each of the Board Committee operates within its respective terms of reference ("TOR") that also clearly define its respective functions and authorities.

The Board may form such other committees from time to time as dictated by business imperatives and/or to promote operational efficiency.

Notwithstanding the above, the ultimate responsibility for decision making still lies with the Board.

Ethical Standards through Code of Ethics

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

The Group also has in place a Code of Conduct covering Business Ethics, workplace safety and employees' personal conduct. This is to ensure all employees maintain and uphold a high standard of ethical and professional conduct 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.

Sustainability Strategies

The Board views the commitment to promote sustainability strategies in the environment, social and governance aspects as part of its broader responsibility to all its various stakeholders and the communities in which it operates.

The Group strives to achieve a sustainable long term balance between meeting its business goals, preserving the environment to sustain the ecosystem and improving the welfare of its employees and the communities in which it operates. The Group's efforts to promote sustainability initiatives for the environment, the communities in which it operates and its employees have been set out in the Corporate Social Responsibility section of the Executive Chairman's Statement in 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 statements, operations and any relevant 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 Company Secretaries are also responsible in ensuring that Board meeting procedures are followed and all the statutory records of the Company are properly maintained at the Registered Office of the Company.

The Directors also 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 whenever the need arises.

Board Charter

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

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

STATEMENT ON CORPORATE GOVERNANCE

2. BOARD COMPOSITION

Nomination Committee

The Company has a Nomination Committee, which comprises exclusively of Non-Executive Directors, with a majority of them being independent. The members are:-

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

The Nomination Committee meets as and when required, and at least once a year.

Under its TOR, the Nomination Committee is tasked with the duties of, among others, the following:

- identifying, assessing and recommending the right candidates to the Board with the necessary skills, knowledge, experience and competency for new appointments;
- conducting an annual assessment on the effectiveness of the Board as a whole (inter-alia, the required mix of skills, size and composition, experience, core competencies and other qualities of the Board), the Board Committees and the contribution of every Director (including the assessment of independence of the Independent Directors);
- recommending retiring Directors for re-election or re-appointment as Directors;
- ensuring orderly succession at the Board level and boardroom diversity; and
- ensuring adequate training and orientation are provided for new members of the Board.

The TOR of the Nomination Committee is available at the Company's website at www.berjaya.com.

Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors

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

The Board delegates to the Nomination Committee the responsibility of making recommendations on any potential candidate for the appointment as a new Director. The Nomination Committee is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous and that appointments are made on merits.

The process for the appointment of a new Director is summarised in the sequence as follows:-

1. The candidate identified upon the recommendation by the existing Directors, Senior Management staff, shareholders and/or other consultants;
2. In evaluating the suitability of candidates to the Board, the Nomination Committee considers, inter-alia, the competency, experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidate's independence;
3. Recommendation to be made by Nomination Committee to the Board. This also includes recommendation for appointment as a member of the various Board Committees, where necessary; and
4. Decision to be made by the Board on the proposed new appointment, including appointment to the various Board Committees.

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.

STATEMENT ON CORPORATE GOVERNANCE

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

The Directors who will retire by rotation and eligible for re-election pursuant to Article 94 of the Company's Articles of Association at the forthcoming Seventh AGM are Dato' Sri Robin Tan Yeong Ching and Dato' Mustapha Bin Abd Hamid. The profiles of these Directors are set out on pages 03 and 05 of this Annual Report.

The Senior Independent Director namely, Datuk Zainun Aishah Binti Ahmad, will attain the age of 70 years in September 2016. Pursuant to Section 129(2) of the Companies Act, 1965, the office of Datuk Zainun Aishah Binti Ahmad shall become vacant at the conclusion of the AGM commencing next after she attains the age of 70 years. Hence, she has been recommended for re-appointment as a Director of the Company at the forthcoming Seventh AGM, pursuant to Section 129(6) of the Companies Act, 1965 and her profile is set out on page 05 of this Annual Report.

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 criteria for the evaluation are guided by the Corporate Governance Guide – Towards Boardroom Excellence. The evaluation process also involved a peer and self-review assessment, where each Director 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 2016, the Nomination Committee carried out the following activities:

- reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board;
- reviewed and assessed the performance of each individual Director; independence of the Independent Directors; effectiveness of the Board and the Board Committees;
- recommending Directors who are retiring and being eligible, for re-election and/or re-appointment; and
- reviewed the performance of the Audit and Risk Management Committee and its members.

Boardroom Diversity

The Board acknowledges the importance of boardroom diversity in terms of gender, age, nationality, ethnicity and socio-economic background and recognises the benefits of this diversity. 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 satisfied with its current composition.

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.

Remuneration Policies and Procedures

The Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's objective in this respect is to offer a competitive remuneration package in order to attract, develop and retain talented individuals to serve as directors.

STATEMENT ON CORPORATE GOVERNANCE

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 enables 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/her 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 (both the Company and the Group) and categorised into appropriate components for the financial year ended 30 April 2016 are as follows:-

Company

	RM				
	Fees	Salaries and Other Emoluments	Bonus	Benefits in-kind	Total
Executive	–	272,982	18,838	17,100	308,920
Non-Executive	60,000	7,800	–	–	67,800
	60,000	**280,782**	**18,838**	**17,100**	**376,720**

Group

	RM				
	Fees	Salaries and Other Emoluments	Bonus	Benefits in-kind	Total
Executive	17,400	744,002	18,838	17,100	797,340
Non-Executive	60,000	7,800	–	–	67,800
	77,400	**751,802**	**18,838**	**17,100**	**865,140**

The number of Directors in office at the end of the financial year and their total remuneration from the Group categorised into the various bands are as follows:-

	Number of Directors	
	Executive	Non-Executive
RM1 - RM50,000	–	2
RM750,001 - RM800,000	1	–
	1	**2**

STATEMENT ON CORPORATE GOVERNANCE

3. 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 stakeholders 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 is of the view that the independence of the Independent Directors should not be determined solely or arbitrarily 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.

As at the date of this Statement on Corporate Governance, none of the Independent Directors has served more than nine (9) years on the Board.

However, where the tenure of an Independent Director exceeds a cumulative term of nine (9) years, the Board shall make recommendation and provide justifications to shareholders at a general meeting should it seek to retain such Director as an Independent Director. Alternatively, the Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director.

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 (2) 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.

STATEMENT ON CORPORATE GOVERNANCE

Board Composition and Balances

The Board composition represents a mix of knowledge, skills, and expertise which assist the Board in effectively discharging its stewardship and responsibilities. The Board currently has 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 03 to 05 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 Paragraph 15.02 of the Listing Requirements of Bursa Securities of at least 1/3 of its members being Independent Directors.

4. 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 2016, the Board met five (5) times and the attendance of the Directors at the Board meetings were as follows:-

Directors	Attendance
Dato' Sri Robin Tan Yeong Ching	4/5
Dato' Lee Kok Chuan	5/5
Tan Thiam Chai	5/5
Dato' Zurainah Binti Musa	3/5
Datuk Zainun Aishah Binti Ahmad #	5/5
Dato' Mustapha Bin Abd Hamid #	5/5

# Denotes Independent Non-Executive Director

All the Directors of the Company does not hold more than five (5) directorships in listed issuers as required under Paragraph 15.06 of the Listing Requirements. They are required to notify the Chairman of the Board before accepting any new directorships outside the Group and indicating the time that will be spent on the new directorship. Similarly, the Chairman of the Board shall also do likewise before taking up any additional appointment of directorships.

Directors' Training

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

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

STATEMENT ON CORPORATE GOVERNANCE

During the year, the training programmes, seminars and conferences attended by the Directors were as follows:-

Directors	Training Programmes/Seminars/Conferences/Forum
Dato' Sri Robin Tan Yeong Ching	- Global sustainability and impact investing forum 2015. - Forbes Global Chief Executive Officer Conference in Manila – Towards a winning session. - Bursa Malaysia Focus Group Session on Annual General Meeting Guide. - Closed door session with Prime Minister, Ministers and Corporate Chiefs.
Dato' Lee Kok Chuan	- Corporate Governance Statement Reporting Workshop: The Interplay Between Corporate Governance, Non-Financial Information and Investment Decision- What Boards of Listed Companies Need to Know. - Dialogue Session with Public Listed Companies "Opportunities for Public Listed Companies in Shariah-compliant Landscape".
Tan Thiam Chai	- Enhanced Understanding of Risk Management & Internal Control for Chief Financial Officers/Internal Auditors/Risk Officers. - Dialogue Session with Public Listed Companies "Opportunities for Public Listed Companies in Shariah-compliant Landscape".
Dato' Zurainah Binti Musa	- Future of Auditors' Reporting • The Game Changer for Boardroom. - Ke arah pengukuhan agenda berpaksikan rakyat. - Ring the Bell for gender equality.
Datuk Zainun Aishah Binti Ahmad	- Directors' Continuing Education Programmes on the following:- • Do your minority shareholders trust you? • Integrated Reporting • Economic Outlook
Dato' Mustapha Bin Abd Hamid	- Bursa Malaysia Corporate Governance Breakfast Series with Directors • How to maximise internal audit. - Future of Auditors' Reporting • The Game Changer for Boardroom. - Analysis of Corporate Governance Disclosure in Annual Reports.

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. 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.

STATEMENT ON CORPORATE GOVERNANCE

The Board is also assisted by the 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, TOR and a summary of activities during the financial year is set out on pages 35 to 38 of this 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 disclosed 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 Board maintains a transparent and professional relationship with the External Auditors through the ARMC. Under the existing practice, the ARMC invites External Auditors to attend its meetings at least twice a year to discuss their audit plan and their audit findings on the Company's yearly financial statements. In addition, the ARMC will also have private meetings with the External Auditors without the presence of the CEO and Senior Management to enable exchange of views on issues requiring attention.

It is the policy of the Company to undertake an annual assessment of the quality of audit which encompassed the performance and quality of the External Auditors and their independence, objectivity and professionalism. This policy is delegated to the ARMC and the assessment process involves identifying the areas of assessment, setting the minimum standard and devising tools to obtain the relevant data. The areas of assessment include among others, the External Auditors' calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit fees. Assessment questionnaires were used as a tool to obtain input from the Company's personnel who had constant contact with the external audit team throughout the year.

To support the ARMC's assessment of their independence, the External Auditors will provide the ARMC with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. 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.

The ARMC also ensures that the External Auditors are independent of the activities they audit and will review the contracts for provision of non-audit services by the External Auditors. The recurring non-audit services were in respect of tax compliance, services as scrutineers at the Company's general meetings, the annual review of the Statement of Risk Management and Internal Control. The non-recurring non-audit services are acting as reporting accountants for any corporate exercises.

STATEMENT ON CORPORATE GOVERNANCE

During the financial year, the amount of non-audit fees paid/payable to the External Auditors by the Company and the Group respectively for the financial year ended ("FYE") 30 April 2016 were as follows:-

	Company		Group	
	FYE2016 RM	FYE2015 RM	FYE2016 RM	FYE2015 RM
Statutory audit fees paid/payable to:-				
- Ernst & Young ("EY") Malaysia	35,000	25,000	173,000	153,000
- Affiliates of EY Malaysia	–	–	13,000	13,000
Total (a)	35,000	25,000	186,000	166,000
Non-audit fees paid/payable to:-				
- EY Malaysia	24,000	126,000*	24,000	126,000*
- Affiliates of EY Malaysia	3,600	3,600	26,900	26,900
Total (b)	27,600	129,600	50,900	152,900
% of non-audit fees (b/a)	79%	518%	27%	92%

* included the Accountants Report issued for the acquisition of Berjaya Starbucks Coffee Company Sdn Bhd.

In considering the nature and scope of non-audit fees, the ARMC was satisfied that they were not likely to create any conflict or impair the independence and objectivity of the External Auditors.

Upon completion of the assessment, the ARMC will make recommendation for re-appointment of the External Auditors to the Board. The proposed appointment will be subject to shareholders' approval at the AGM.

6. RISKS MANAGEMENT

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 32 to 34 of this Annual Report provides an overview of the state of internal controls within the Group.

STATEMENT ON CORPORATE GOVERNANCE

7. TIMELY DISCLOSURES

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

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

8. 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 twenty-one (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 MCCG 2012, all the resolutions passed by the shareholders at the previous AGM held on 5 October 2015 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, EY.

Pursuant to the Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities, the Company is required to ensure that any resolution set out in the notice of general meetings is voted by poll.

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 Company's website at www.berjaya.com where shareholders can access corporate information, annual reports, press release, financial information and Company's announcements.

9. COMPLIANCE WITH THE MCCG 2012

Other than as disclosed and/or explained in the Statement on Corporate Governance, the Board is satisfied that the Company has, in all material aspects, complied with the principles and recommendations of the MCCG 2012 during the financial year ended 30 April 2016.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance 2012 requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the assets of the Company and its subsidiaries ("the Group"). 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 managements and internal controls. The Statement on Internal Control: Guidance for Directors of Public Listed Companies ("Guidance") provides guidance for compliance with these requirements. The Board's Statement On Risk Management and Internal Control ("SORMIC"), 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.

INTERNAL CONTROL PROCESSES

The key aspects of the internal control process are as follows:

- The business units identify the areas of control relevant to their business, design the internal control procedures and document the procedures in manuals.

- The internal auditors of the Group establish the annual audit plan and table the plan to the Audit and Risk Management Committee ("ARMC") for approval.

- The internal auditors perform the audit and present their audit reports to the ARMC, highlighting any shortcomings by the business units in implementing the controls and the remedial procedures implemented by the business units.

STATEMENT ON
RISK MANAGEMENT AND INTERNAL CONTROL

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 the 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.

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;

- 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.

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 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT PROCESS

The key aspects of the risk management process are as follows:

- The business units are required to identify the risks relevant to their businesses.

- The risks are then assessed based on the probability of their occurrence and are evaluated as Low, Medium or High. The level of residual risk is determined after evaluating the effectiveness of controls and mitigating measures.

- The business units develop control procedures or action plans to either prevent the occurrence or reduce the impact upon its occurrence.

- The business units are required to update their risk profiles and review their processes in monitoring the risks periodically.

- On a quarterly basis, the business units are required to prepare a report summarising the significant risks and status of action plan. Selected reports will be submitted to the ARMC for review and deliberation.

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 of any significant changes in the business and the external environment that affect key risks.

The external auditors form an opinion on the financial statements of the Group based on their annual statutory audit. Any areas for improvement identified during the course of audit are highlighted to the attention of the ARMC through management letters, or are articulated at the ARMC meetings. The ARMC also holds private meetings with the external auditors to have exchange of views on any areas that require their attention. Apart from the statutory audit, the external auditors also review the SORMIC in accordance with Paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the disclosures in SORMIC are inconsistent with their understanding of the ongoing processes that the Board has in place for identifying, evaluating and managing the significant risks in achieving the objectives and strategies of the Group.

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 ("BFood") is pleased to present the report of the Audit and Risk Management Committee ("the ARMC") for the financial year ended 30 April 2016.

MEMBERS AND MEETING ATTENDANCE

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 2016. The details of attendance of the ARMC members are as follows:-

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

The ARMC meetings were convened with proper notices and agenda and these were distributed to all members of the ARMC with sufficient notification. The minutes of each of the ARMC meetings were recorded and tabled for confirmation at the next ARMC meeting and tabled at the Board meeting for the Directors' review and notation.

The Chief Executive Officer was invited to attend all the ARMC meetings to report on the overall operations of the Company and its subsidiaries ("the Group") while the Senior Management of the relevant operations was invited to provide clarification on the audit and risk related issues of their respective operations. The General Manager of Group Internal Audit as well as the Senior General Manager of Group Accounts and Budgets of Berjaya Corporation Berhad were also invited to attend the ARMC meetings. The External Auditors were invited to attend three (3) of these meetings.

SUMMARY OF ACTIVITIES AND WORK OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The duties and responsibilities of the ARMC are set out in its terms of reference, a copy of which is available at www.berjaya.com.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

In discharging its duties and responsibilities, the ARMC had undertaken the following activities and work during the year:-

Financial Reporting

(a) Reviewed the quarterly financial statements including the draft announcements pertaining thereto and made recommendations to the Board for approval of the same as follows:-

Date of Meetings	Review of Quarterly Financial Statements
15 June 2015	Fourth quarter results as well as the unaudited results of the Group for the financial year ended 30 April 2015
11 September 2015	First quarter results for financial year ended 30 April 2016
9 December 2015	Second quarter results for financial year ended 30 April 2016
9 March 2016	Third quarter results for financial year ended 30 April 2016

The above review is to ensure that the Company's quarterly financial reporting and disclosures present a true and fair view of the Group's financial position and performance and are in compliance with the Malaysian Financial Reporting Standard 134 - Interim Financial Reporting Standards in Malaysia and International Accounting Standard 34 - Interim Financial Reporting as well as the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

(b) Reviewed and made recommendations to the Board in respect of the audited financial statements of the Company and the Group for the financial year ended 30 April 2015 at its meeting held on 21 August 2015 and to ensure that it presented a true and fair view of the Company's financial position and performance for the year and compliance with regulatory requirements. Prior to that, the ARMC had reviewed the status report on the Audit Plan for financial year ended 30 April 2015 prepared by the External Auditors at the meeting held on 15 June 2015.

External Audit

(a) Evaluated the performance of the External Auditors for the financial year ended 30 April 2015 covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit fees of the External Auditors. The ARMC, having been satisfied with the independence, suitability and performance of Messrs Ernst & Young ("EY"), had recommended to the Board for approval of the re-appointment of EY as External Auditors for the ensuing financial year end of 30 April 2016 at its meeting held on 21 August 2015.

(b) Discussed and considered the significant accounting adjustments and auditing issues arising from the interim audit as well as the final audit with the External Auditors. The ARMC also had a private discussion with the External Auditors on 21 August 2015 without the presence of Management during the review of the audited financial statements for the year ended 30 April 2015 to discuss any problems/issues arising from the final audit and the assistance given by the employees during the course of audit by External Auditors.

(c) Reviewed with the External Auditors at the meeting held on 9 March 2016, their audit plan for the financial year end of 30 April 2016, outlining the audit scope, methodology and timetable, audit materiality, areas of focus, fraud consideration and the risk of management override and also the new and revised auditors reporting standards.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Internal Audit

(a) Reviewed the Internal Audit Reports on the Company's subsidiaries namely, PT Boga Lestari Sentosa ("PT Boga"), Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks"), Berjaya Roasters (M) Sdn Bhd ("BRoasters"), Jollibean Foods Pte Ltd ("JFPL") during the financial year under review. The ARMC also reviewed the audit findings and recommendations to improve any weaknesses or non-compliance and the respective Management's responses thereto. The Internal Auditors monitored the implementation of Management's action plan on outstanding issues through follow up reports to ensure that all key risks and control weaknesses are being properly addressed.

(b) Reviewed and approved the Internal Audit Plan for financial year ending 30 April 2017 to ensure that the scope and coverage of the internal audit on the operations of the BFood Group is adequate and comprehensive and that all the risk areas are audited annually.

Recurrent Related Party Transactions

(a) Reviewed the Circular to Shareholders in connection with the Recurrent Related Party Transactions ("RRPT") that arose within the Group to ensure that the transactions are fair and reasonable to, and are not to the detriment of, the minority shareholders.

The framework set up for identifying and monitoring the RRPT includes inter-alia, the following:-

(i) The transaction prices are based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;

(ii) The related parties and interested Directors will be notified of the method and/or procedures of the RRPT for the BFood Group;

(iii) Records of RRPT will be retained and compiled by the Group accountant for submission to the ARMC for review;

(iv) The ARMC is to provide a statement that it has reviewed the terms of the RRPT to ensure that such transactions are undertaken based on terms not more favourable to the related parties than those generally available to the public, are not detrimental to the minority shareholders and are in the best interest of the BFood Group;

(v) The ARMC also reviewed the procedures and processes with regards to the RRPT on a half yearly basis to ensure that the transactions are within the approved mandate;

(vi) Directors who have any interest in any RRPT shall abstain from Board deliberations and voting and will ensure that they and any person connected with them will also abstain from voting on the resolution(s) at the Extraordinary General Meeting or Annual General Meeting to be convened for the purpose; and

(vii) Disclosures will be made in the annual report on the breakdown of the aggregate value of the RRPT during the financial year, amongst others, based on the following information:-

(a) the type of the RRPT made; and

(b) the names of the related parties involved in each type of the RRPT made and their relationships with the BFood Group.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Risk Management Activities

(a) Reviewed the risk management activities on the Company's subsidiaries namely, PT Boga, BStarbucks, BRoasters and JFPL including the risk descriptions, risk mitigation strategies and controls and its existing controls to ensure the business activities and risk areas are re-aligned and enhanced on an on-going basis.

(b) Reviewed the summary of the risk register covering areas such as the likelihood of occurrence, the impact of the risks, risk score, risk treatment, risk owner and control effectiveness to ensure that the management of the relevant risks is appropriately placed within the Group.

Other Activities

(a) Reviewed and recommended to the Board for approval, the ARMC Report, Statement on Corporate Governance and Statement on Risk Management and Internal Control for inclusion in the 2015 Annual Report.

(b) Verified the allocation and movement of the Employee Share Option Scheme ("ESOS") for the financial year ended 30 April 2015 to ensure that it had been carried out according to the criteria and matrix stipulated in the ESOS's Bylaws.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

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

The activities of the Internal Audit Division are guided by the Internal Audit Charter and the Internal Audit Division adopts a risk-based approach focusing on high risk areas. All high risk activities in each auditable area are audited annually.

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

The activities undertaken by the Internal Audit Division during the financial year ended 30 April 2016 included the following:-

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

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

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

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

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

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 2016 was approximately RM125,350.

TERMS OF REFERENCE OF THE ARMC

The terms of reference of the ARMC can be viewed on the Company's website at www.berjaya.com.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2016.

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	17,542	28,867
Attributable to:		
- Owners of the parent	21,290	28,867
- Non-controlling interests	(3,748)	-
	17,542	28,867

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.

DIRECTORS' REPORT

DIVIDENDS

The dividends paid by the Company since 30 April 2015 were as follows:

	RM'000
In respect of the financial year ended 30 April 2015	
Third interim dividend of 4.00% or 2.0 sen per share single-tier dividend, paid on 28 July 2015	7,498
In respect of the financial year ended 30 April 2016	
First interim dividend of 2.00% or 1.0 sen per share single-tier dividend, paid on 29 October 2015	3,750
Second interim dividend of 2.50% or 1.25 sen per share single-tier dividend, paid on 22 January 2016	4,698
Third interim dividend of 2.00% or 1.0 sen per share single-tier dividend, paid on 20 April 2016	3,782
	12,230
Total dividend paid during the financial year ended 30 April 2016	19,728
The directors declared and approved on 10 June 2016: Fourth interim dividend of 2.00% or 1.0 sen per share single-tier dividend, paid on 28 July 2016	3,781*

* 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 2017.

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

DIRECTORS

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

Dato' 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

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 22 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' REPORT

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 1.5.15	Acquired	Disposed	At 30.4.16
The Company ("BFood")				
Dato' Sri Robin Tan Yeong Ching	1,877,560	211,740	-	2,089,300
Dato' Lee Kok Chuan	1,848,200	-	-	1,848,200
Dato' Mustapha bin Abd Hamid	239,480	42,320	40,000	241,800
Datuk Zainun Aishah binti Ahmad	104,000	65,800	-	169,800
Tan Thiam Chai	260,000	65,800	-	325,800

	Number of ordinary shares of RM0.50 each under employees' share option scheme♣			
	At 1.5.15	Granted	Exercised	At 30.4.16
Dato' Sri Robin Tan Yeong Ching	211,740	-	211,740	-
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 1.5.15	Acquired	Exercised	At 30.4.16
Tan Thiam Chai	120,000	-	-	120,000

Ultimate holding company:

		Number of ordinary shares of RM1.00 each				
		At 1.5.15	Acquired		Disposed	At 30.4.16
Berjaya Corporation Berhad ("BCorp")						
Dato' Sri Robin Tan Yeong Ching		2,222,847	-		-	2,222,847
	*	599,416,995	26,900,600		-	626,317,595
	(a)	5,000	-		-	5,000
Dato' Lee Kok Chuan		24,000	11	#	-	24,011
	(a)	-	8	#	-	8
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 ("0% ICULS") #			
		At 1.5.15	Acquired	Converted	At 30.4.16
Dato' Sri Robin Tan Yeong Ching	*	12,401,200	-	12,401,200	-
Dato' Lee Kok Chuan		22	-	22	-
	(a)	17	-	17	-

DIRECTORS' REPORT

		Number of 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 of RM1.00 nominal value each			
		At 1.5.15	Acquired	Converted	At 30.4.16
BCorp					
Dato' Sri Robin Tan Yeong Ching		2,620,500	-	-	2,620,500
	*	87,029,000	-	20,700,000	66,329,000
	(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 1.5.15	Acquired	Exercised	At 30.4.16
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 1.5.15	Acquired	Disposed	At 30.4.16
Berjaya Land Berhad					
Dato' Sri Robin Tan Yeong Ching		600,000	-	-	600,000
	*	56,600,000	-	-	56,600,000
Tan Thiam Chai		40,000	-	-	40,000

		Number of ordinary shares of RM0.10 each			
		At 1.5.15	Acquired	Disposed	At 30.4.16
Berjaya Sports Toto Berhad ("BToto")					
Dato' Sri Robin Tan Yeong Ching		1,000,000	7,142 ^	-	1,007,142
Dato' Lee Kok Chuan		61,395	438 ^	-	61,833
Tan Thiam Chai		171,063	1,221 ^	-	172,284
	(a)	132,221	944 ^	-	133,165

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.

✤ BFood share option scheme had expired on 7 March 2016.

^ Share dividend distribution by BToto on the basis of one (1) BToto treasury share for every one hundred and forty (140) existing BToto ordinary shares on 23 October 2015.

BCorp 0% ICULS had been automatically converted into ordinary shares on the basis of two (2) BCorp 0% ICULS for one (1) BCorp share upon its maturity on 30 October 2015.

DIRECTORS' REPORT

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 are disclosed in Note 27 to the financial statements.

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

This ESOS had expired on 7 March 2016.

ISSUE OF SHARES

During the financial year, the Company increased its issued and fully paid up share capital from RM187,136,800 to RM189,144,020 by way of the issuance of:

(i) 1,190,640 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) 403,200 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) 750,000 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) 1,670,600 new ordinary shares of RM0.50 each at an issue price of RM0.70 per share pursuant to the exercise of the warrants.

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

(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.

DIRECTORS' REPORT

(d) As at 30 April 2016, the net current liabilities of the Group was RM64,601,000 (2015: RM20,901,000). Despite the net current liabilities position of the Group, the directors believe the Group is able to generate sufficient cash flows from operations to meet their obligations in the next 12 months. On this basis, the directors have prepared the financial statements of the Group on a going concern basis.

(e) 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.

(f) 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.

(g) 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.

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 3 August 2016

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 11 to 79 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 2016 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 35 to the financial statements on page 80 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 3 August 2016

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 11 to 80 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 3)
August 2016)

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 2016 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 11 to 79.

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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BERJAYA FOOD BERHAD

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 2016 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.

Other reporting responsiblities

The supplementary information set out in Note 35 on page 80 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BERJAYA FOOD 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	Hoh Yoon Hoong 2990/08/16(J) Chartered Accountant

Kuala Lumpur, Malaysia
Date: 3 August 2016

STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2016

		Group		Company	
		2016	2015	2016	2015
	Note	RM'000	RM'000	RM'000	RM'000
Non-current assets					
Property, plant and equipment	3	173,625	155,504	9	2
Subsidiary companies	4	-	-	432,567	430,067
Deferred tax assets	14	5,433	4,232	-	-
Intangible assets	5	451,652	447,321	-	-
		630,710	607,057	432,576	430,069
Current assets					
Inventories	6	35,170	30,490	-	-
Trade and other receivables	7	41,466	38,822	60,604	58,055
Tax recoverable		1,485	-	112	-
Deposits with financial institutions	8	359	963	-	496
Cash and bank balances	9	37,464	36,900	5,381	6,018
		115,944	107,175	66,097	64,569
TOTAL ASSETS		746,654	714,232	498,673	494,638
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	10	189,144	187,137	189,144	187,137
Reserves	11	210,359	207,282	112,934	102,296
		399,503	394,419	302,078	289,433
Non-controlling interests		(11,000)	(6,626)	-	-
Total equity		388,503	387,793	302,078	289,433
Non-current liabilities					
Long term borrowing	12	166,490	186,626	166,490	186,626
Other long term liability	13	20	32	-	-
Deferred tax liabilities	14	2,043	2,296	-	-
Provisions	15	9,053	9,409	-	-
		177,606	198,363	166,490	186,626
Current liabilities					
Trade and other payables	16	70,975	86,829	22,966	13,977
Provisions	15	3,021	1,180	-	-
Short term borrowings	17	62,331	4,431	7,139	4,431
Deferred income	18	44,218	33,517	-	-
Taxation		-	2,119	-	171
		180,545	128,076	30,105	18,579
Total liabilities		358,151	326,439	196,595	205,205
TOTAL EQUITY AND LIABILITIES		746,654	714,232	498,673	494,638

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2016

		Group		Company	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	19	554,363	376,780	40,957	75,544
Cost of sales		(307,483)	(207,733)	-	-
Gross profit		246,880	169,047	40,957	75,544
Other income		13,001	173,153	2,392	3,755
Administrative expenses		(197,405)	(141,937)	(1,282)	(1,601)
Selling and distribution expenses		(10,547)	(5,924)	-	-
Other expenses		(3,222)	(9,137)	-	(1,271)
		48,707	185,202	42,067	76,427
Finance costs	20	(13,092)	(8,890)	(12,759)	(9,751)
Share of results of joint venture		-	6,457	-	-
Profit before tax	21	35,615	182,769	29,308	66,676
Income tax expense	23	(18,073)	(11,670)	(441)	(783)
Profit for the year		17,542	171,099	28,867	65,893
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
- Foreign currency translation		(650)	663	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
- Actuarial gain/(loss) on defined benefit plan		51	(1)	-	-
- Tax effect relating to defined benefit plan		(11)	-	-	-
Total comprehensive income for the year		16,932	171,761	28,867	65,893
Profit attributable to:					
- Owners of the parent		21,290	177,574	28,867	65,893
- Non-controlling interests		(3,748)	(6,475)	-	-
		17,542	171,099	28,867	65,893
Total comprehensive income attributable to:					
- Owners of the parent		21,306	178,068	28,867	65,893
- Non-controlling interests		(4,374)	(6,307)	-	-
		16,932	171,761	28,867	65,893
Earnings per share (sen)	24				
- Basic		5.66	54.41		
- Diluted		5.64	53.64		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2016

	Attributable to the equity holders of the Company									
		Non-distributable					Distributable			
	Share capital	Share premium	ESOS reserve ^	Warrant reserve	Exchange reserve	Merger deficit	Retained earnings	Total	Non-controlling interests	Total equity
GROUP	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 May 2014	134,556	4,974	1,295	20,207	122	(55,087)	56,720	162,787	(641)	162,146
Profit for the year	-	-	-	-	-	-	177,574	177,574	(6,475)	171,099
Other comprehensive income	-	-	-	-	495	-	(1)	494	168	662
Total comprehensive income for the year	-	-	-	-	495	-	177,573	178,068	(6,307)	171,761
Transactions with owners										
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 25)	-	-	-	-	-	-	(20,949)	(20,949)	-	(20,949)
	52,581	41,407	(26)	(19,449)	-	-	(20,949)	53,564	322	53,886
At 30 April 2015/1 May 2015	187,137	46,381	1,269	758	617	(55,087)	213,344	394,419	(6,626)	387,793
Profit for the year	-	-	-	-	-	-	21,290	21,290	(3,748)	17,542
Other comprehensive income	-	-	-	-	(5)	-	21	16	(626)	(610)
Total comprehensive income for the year	-	-	-	-	(5)	-	21,311	21,306	(4,374)	16,932
Transactions with owners										
ESOS options exercised	1,172	2,247	(1,082)	-	-	-	-	2,337	-	2,337
ESOS options forfeited	-	187	(187)	-	-	-	-	-	-	-
Warrants exercised	835	651	-	(317)	-	-	-	1,169	-	1,169
Dividends (Note 25)	-	-	-	-	-	-	(19,728)	(19,728)	-	(19,728)
	2,007	3,085	(1,269)	(317)	-	-	(19,728)	(16,222)	-	(16,222)
At 30 April 2016	189,144	49,466	-	441	612	(55,087)	214,927	399,503	(11,000)	388,503

^ 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 2016

		Non-distributable			Distributable	
	Share capital	Share premium	ESOS reserve	Warrant reserve	Retained earnings	Total equity
COMPANY	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 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
Transactions with owners						
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 25)	-	-	-	-	(20,949)	(20,949)
	52,581	41,407	(26)	(19,449)	(20,949)	53,564
At 30 April 2015/1 May 2015	187,137	46,381	1,269	758	53,888	289,433
Total comprehensive income for the year	-	-	-	-	28,867	28,867
Transactions with owners						
ESOS options exercised	1,172	2,247	(1,082)	-	-	2,337
ESOS options forfeited	-	187	(187)	-	-	-
Warrants exercised	835	651	-	(317)	-	1,169
Dividends (Note 25)	-	-	-	-	(19,728)	(19,728)
	2,007	3,085	(1,269)	(317)	(19,728)	(16,222)
At 30 April 2016	189,144	49,466	-	441	63,027	302,078

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

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

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2016

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	568,856	390,774	-	-
Payment to suppliers and operating expenses	(505,170)	(304,942)	(1,974)	(2,532)
Payment of tax	(22,993)	(18,808)	(724)	(804)
Other receipts	1,920	1,025	394	293
Net cash flow generated from/(used in) operating activities	42,613	68,049	(2,304)	(3,043)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sales of property, plant and equipment	14	72	-	-
Acquisition of property, plant and equipment (Note a)	(46,501)	(51,346)	(11)	(2)
Acquisition of intangible assets	(4,972)	(1,953)	-	-
Acquisition of investment in subsidiary company (Note b)	-	(227,186)	(2,500)	(283,536)
Interest received	102	226	2,392	3,505
Dividend received	-	-	40,957	75,544
Loan to related companies	-	-	(5,987)	(15,836)
Repayment from related companies	-	-	7,935	884
Other receipt arising on investing activities	-	142	-	-
Net cash flow (used in)/generated from investing activities	(51,357)	(280,045)	42,786	(219,441)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of share capital	3,506	73,846	3,506	73,846
Capital contribution by non-controlling interests	-	322	-	-
Payment relating to procurement of loan	-	(4,532)	-	(4,532)
Drawdown of bank borrowings	55,561	288,536	-	283,536
Repayment of bank borrowings	(18,800)	(99,700)	(18,431)	(94,700)
Payment of hire purchase	(13)	(13)	-	-
Interest paid	(11,982)	(7,625)	(11,756)	(8,512)
Dividends paid	(19,728)	(20,949)	(19,728)	(20,949)
Withdraw/(placement) of bank deposits	97	(186)	-	-
Placement in bank as security pledged for borrowing	(65)	(4,315)	(65)	(4,315)
Advance from related companies	463	415	5,282	6,384
Repayment to related companies	(488)	(396)	(488)	(8,896)
Net cash flow generated from/(used in) financing activities	8,551	225,403	(41,680)	221,862
NET CHANGE IN CASH AND CASH EQUIVALENTS	(193)	13,407	(1,198)	(622)
EFFECT OF EXCHANGE RATE CHANGES	185	316	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	33,362	19,639	2,199	2,821
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	33,354	33,362	1,001	2,199

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2016

	Group		Company	
	2016	**2015**	**2016**	**2015**
CASH AND CASH EQUIVALENTS	**RM'000**	**RM'000**	**RM'000**	**RM'000**
The closing cash and cash equivalents comprise of the following:				
Cash and bank balances	37,464	36,900	5,381	6,018
Deposits with financial institutions	359	963	-	496
	37,823	37,863	5,381	6,514
Less: Deposits with maturity more than 3 months	(89)	(186)	-	-
Cash pledged with bank - restricted	(4,380)	(4,315)	(4,380)	(4,315)
	33,354	33,362	1,001	2,199

Notes:

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Payment for current year acquisition (Note 3)	46,501	50,881	11	2
Payment for previous year acquisition	-	465	-	-
	46,501	51,346	11	2

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

	Group	
	2016	**2015**
	RM'000	**RM'000**
Property, plant and equipment (Note 3)	-	100,114
Net other assets acquired	-	22,781
Goodwill on consolidation (Note 5)	-	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 21(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)	-	227,186

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

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

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 3 August 2016.

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.

As at 30 April 2016, the net current liabilities of the Group was RM64,601,000 (2015: RM20,901,000). Despite the net current liabilities position of the Group, the directors believe the Group is able to generate sufficient cash flows from operations to meet their obligations in the next 12 months. On this basis, the directors have prepared the financial statements of the Group on a going concern basis.

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 2015 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company.

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

(i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) exposure, or rights, to variable returns from its investment with the investee; and
(iii) the ability to use its power over the investee to affect its returns.

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

(i) the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(ii) potential voting rights held by the Group, other vote holders or other parties;
(iii) rights arising from other contractual arrangements; and
(iv) any additional facts and circumstances that indicates that the Group has, or does not have, the current ability to direct the relevant activities at the time that decision need to be made, including voting patterns at previous shareholders' meetings.

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, 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.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(a) Subsidiaries and basis of consolidation (continued)

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

Any excess of the cost of business combination, as the case may be, over the net amount of the fair value of identifiable assets acquired and liabilities assumed is recognised as goodwill. For business combinations, provisions are made for the acquiree's contingent liabilities existing at the date of acquisition as the Group deems that it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

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

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

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(a) Subsidiaries and basis of consolidation (continued)

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

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

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

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
(ii) the previous carrying amount of the assets and liabilities of the subsidiary company and any non-controlling interest;

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

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

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(b) Property, plant and equipment and depreciation

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(c) Intangible assets

(i) Goodwill

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

(ii) Trademarks

The cost of trademarks acquired represents its fair value as at the date of acquisition. Following initial recognition, trademarks are carried at cost less any accumulated impairment losses. Trademarks, which are considered to have indefinite useful lives, are not amortised but tested for impairment, annually or more frequently when indicators of impairment are identified. The useful lives of trademarks are reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

(iii) 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.

(d) Inventories

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

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(e) 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 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(f) 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.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(g) Impairment of non-financial assets

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(h) Financial liabilities

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

Financial liabilities, within the scope of 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.

<u>Offsetting of financial instruments</u>

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(i) 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:

(i) in the principal market for the asset or liability; or
(ii) 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.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(j) 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.

(k) Cash and cash equivalents

Cash comprises cash in hand, at bank and short term deposits with a maturity of three months or less. Cash equivalents, which are short term, highly liquid investments that are readily convertible to known amounts subject to insignificant risk of changes in value, against which the bank overdrafts, if any, are deducted.

(l) 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.

(m) 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.

(n) Current and non-current classification

The Group and the Company present assets and liabilities in statements of financial position based on current and non-current classification.

An asset is classified as current when it is:

(i) expected to be realised or intended to be sold or consumed in normal operating cycle;
(ii) held primarily for the purpose of trading;
(iii) expected to be realised within 12 months after the reporting period; or
(iv) cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(n) Current and non-current classification (continued)

All other assets are classified as non-current.

A liability is classified as current when:

(i) it is expected to be settled in normal operating cycle;
(ii) it is held primarily for the purpose of trading;
(iii) it is due to be settled within 12 months after the reporting period; or
(iv) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

(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 stored value 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 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(p) Customer loyalty programme

Certain subsidiary companies of the Group operate customer loyalty programmes which allow 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 is deferred in the recognition of revenue at the time when the transaction is concluded, based on the estimated value of the free food, beverage or merchandise that is 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.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(q) Foreign currencies (continued)

(iii) Foreign operations

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

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the reporting date;
- Income and expenses for each profit or loss and other comprehensive income are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in a separate component of equity under the header of exchange reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets 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	2016 RM	2015 RM
Singapore Dollar	SGD	1	2.89	2.69
United States Dollar	USD	1	3.89	3.55
Indonesian Rupiah	IDR	1000	0.295	0.274
Brunei Dollar	BND	1	2.89	2.69

(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.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(r) Employee benefits (continued)

(iii) Defined benefit plan

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

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

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

(i) the date of the plan amendment or curtailment; and

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(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.

(t) 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.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(t) Tax (continued)

(ii) Deferred tax (continued)

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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

(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.

(iv) 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.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(u) 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.

(v) 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.

(w) 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.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies

On 1 May 2015, the Group and the Company adopted the following Amendments to MFRSs and Annual Improvements to MFRSs:

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

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

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

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 2016:

- 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 2017:

- Amendments to MFRS 107: Statement of Cash Flows - Disclosure Initiative
- Amendments to MFRS 112: Income taxes - Recognition of Deferred Tax Assets for Unrealised Losses

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

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

Effective for financial periods beginning on or after 1 January 2019:

- MFRS 16: Leases

Effective date yet to be determined:

- Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate ors Joint Venture (Deferred)

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Standards issued but not yet effective (continued)

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.

<u>MFRS 9: Financial Instruments</u>

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.

<u>MFRS 15: Revenue from Contracts with Customers</u>

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118: Revenue, MFRS 111: Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group does not anticipate the adoption of this Standard will have a material impact to the Group's financial statements.

<u>MFRS 16: Leases</u>

The scope of MFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

MFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of "low-value" assets (e.g. personal computers) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the term (i.e. the right-of-use asset).

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Standards issued but not yet effective (continued)

MFRS 16: Leases (continued)

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g. a change of lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2019 with early adoption permitted. The Directors anticipate that the application of MFRS 16 will have a material impact on the amounts reported and disclosures made in the Group's and the Company's financial statements. The Group and the Company are currently assessing the impact of MFRS 16.

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 RM8,192,000 (2015: RM9,062,000).

(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 27.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements (continued)

(b) Key sources of estimation uncertainty

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

(i) Provision for restoration costs

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

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

(ii) Impairment of goodwill

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

(iii) Impairment of trademark

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

(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 23.

(v) 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 14.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements (continued)

(b) Key sources of estimation uncertainty (continued)

(vi) 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 occur. 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.

(vii) Impairment of property, plant and equipment

During the current financial year, the Group recognised impairment losses in respect of certain 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.

NOTES TO THE FINANCIAL STATEMENTS
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3. PROPERTY, PLANT AND EQUIPMENT

GROUP	Office equipment, furniture and fittings and motor vehicles	Computer	Plant, machinery, kitchen equipment and smallwares	Renovations and restoration	Capital work-in-progress	Total
2016	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Net carrying amount						
At beginning of year	31,374	4,358	35,964	82,918	890	155,504
Additions	6,588	878	11,105	13,503	17,742	49,816
Disposals	-	(3)	(6)	-	-	(9)
Depreciation charge for the year	(6,672)	(1,282)	(6,267)	(16,015)	-	(30,236)
Write off	(401)	(10)	(516)	(527)	-	(1,454)
Impairment loss	-	-	-	(1,015)	-	(1,015)
Exchange differences	225	18	316	460	-	1,019
Reclassification	1,809	-	(1,809)	15,001	(15,001)	-
At end of year	32,923	3,959	38,787	94,325	3,631	173,625
As at 30 April 2016						
Cost	65,389	10,648	84,258	163,393	3,631	327,319
Accumulated depreciation	(32,086)	(6,584)	(43,527)	(65,855)	-	(148,052)
Accumulated impairment	(380)	(105)	(1,944)	(3,213)	-	(5,642)
Net carrying amount	32,923	3,959	38,787	94,325	3,631	173,625
2015						
Net carrying amount						
At beginning of year	6,353	1,166	14,085	16,023	1,272	38,899
Additions	10,786	2,204	9,691	28,014	890	51,585
Disposals	(3)	-	(27)	-	-	(30)
Depreciation charge for the year	(6,063)	(945)	(5,746)	(14,022)	-	(26,776)
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)
Exchange differences	51	2	(85)	12	-	(20)
Reclassification/Adjustments	231	691	(563)	(2,401)	(1,272)	(3,314)
At end of year	31,374	4,358	35,964	82,918	890	155,504
As at 30 April 2015						
Cost	57,179	9,791	76,543	137,643	890	282,046
Accumulated depreciation	(25,444)	(5,335)	(38,773)	(52,656)	-	(122,208)
Accumulated impairment	(361)	(98)	(1,806)	(2,069)	-	(4,334)
Net carrying amount	31,374	4,358	35,964	82,918	890	155,504

Included in property, plant and equipment of the Group are fully depreciated assets which are still in use costing about RM36,245,000 (2015: RM25,986,000).

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY	Office equipment	Furniture and fittings	Computer	Total
2016	RM'000	RM'000	RM'000	RM'000
Net carrying amount				
At beginning of year	1	1	-	2
Additions	2	-	9	11
Depreciation charge for the year	(1)	-	(3)	(4)
At end of year	2	1	6	9
As at 30 April 2016				
Cost	3	1	9	13
Accumulated depreciation	(1)	-	(3)	(4)
Net carrying amount	2	1	6	9
2015				
Net carrying amount				
At beginning of year	-	-	2	2
Additions	1	1	-	2
Depreciation charge for the year	-	-	(1)	(1)
Write off	-	-	(1)	(1)
At end of year	1	1	-	2
As at 30 April 2015				
Cost	1	1	6	8
Accumulated depreciation	-	-	(6)	(6)
Net carrying amount	1	1	-	2

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash	46,501	50,881	11	2
Amounts due to suppliers	1,840	-	-	-
Provision for restoration cost	1,475	704	-	-
	49,816	51,585	11	2

In the previous financial year, the Group's reclassification/adjustments row included over accrual of certain property, plant and equipment of RM3,314,000.

Office equipment with a carrying amount of RM33,000 (2015: RM41,000) are under finance lease arrangement.

During the financial year, the Group carried out a review of the recoverable amount of property, plant and equipment of certain stores as these stores had been persistently making losses. The recoverable amount was determined based on VIU and the pre-tax discount rate used was 12%. The impairment loss of RM1,015,000 in the current financial year was in respect of certain property, plant and equipment for which the recoverable amount is less than the carrying amount. In the previous financial year, the impairment loss of RM4,382,000 was provided due to expected store closures.

NOTES TO THE FINANCIAL STATEMENTS
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4. SUBSIDIARY COMPANIES

	Company 2016 RM'000	Company 2015 RM'000
Unquoted shares in Malaysia, at cost	430,036	427,536
ESOS granted to employees of subsidiary companies	2,531	2,531
	432,567	430,067

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^ 2016	% of ownership interest held by the Group^ 2015	% of ownership interest held by non-controlling interests^ 2016	% of ownership interest held by non-controlling interests^ 2015
Held by the Company:						
Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks")	Malaysia	Development and operation of the "Starbucks Coffee" chain of cafes and retail outlets in Malaysia.	100	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	Malaysia	Sale and distribution of food and beverage in Malaysia.	100	100	-	-
Subsidiaries of Berjaya Food (International) Sdn Bhd:						
PT Boga Lestari Sentosa ("PT Boga")*	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	-	-

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

4. SUBSIDIARY COMPANIES (CONTINUED)

Name	Country of incorporation	Principal activities	% of ownership interest held by the Group^		% of ownership interest held by non-controlling interests^	
			2016	2015	2016	2015
Subsidiaries of Berjaya Food (International) Sdn Bhd (continued):						
Berjaya Food Supreme Sdn Bhd ("BFSSB")#	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	70	30	30
Subsidiary of Jollibean Foods Pte Ltd:						
Berjaya Jollibean (M) Sdn Bhd	Malaysia	Operation of food and beverage retail outlets in Malaysia.	100	100	-	-

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

(a) Acquisition of subsidiary companies

In the previous financial year, the Company 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 business combination, contributed the following results from its date of acquisition to the Group in the previous financial year.

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

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

4. SUBSIDIARY COMPANIES (CONTINUED)

(a) Acquisition of subsidiary companies (continued)

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 5)	422,005
	544,900
Carrying amount of the equity interests previously owned at the date of acquisition	(100,907)
Gain on remeasurement (Note 21(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 in the previous financial year which do not have any material effect on the financial position of the Group is not disclosed.

Acquisition of subsidiary companies subsequent to financial year end

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

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

4. SUBSIDIARY COMPANIES (CONTINUED)

(a) 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.

	PT Boga		BFSSB		Total	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-current assets	5,054	7,095	7,328	5,030	12,382	12,125
Current assets	2,481	4,292	1,568	2,388	4,049	6,680
Non-current liabilities	(418)	(391)	(998)	(621)	(1,416)	(1,012)
Current liabilities	(32,437)	(27,105)	(1,875)	(1,663)	(34,312)	(28,768)
Net (liabilities)/assets	(25,320)	(16,109)	6,023	5,134	(19,297)	(10,975)
Equity attributable to the owners of the parent	(12,913)	(8,216)	4,818	4,107	(8,095)	(4,109)
Non-controlling interests	(12,407)	(7,893)	1,205	1,027	(11,202)	(6,866)
	(25,320)	(16,109)	6,023	5,134	(19,297)	(10,975)
Revenue	12,767	13,315	7,788	6,882	20,555	20,197
(Loss)/Profit for the year	(7,732)	(13,378)	479	800	(7,253)	(12,578)
Other comprehensive income	(1,517)	280	410	159	(1,107)	439
Total comprehensive income for the year	(9,249)	(13,098)	889	959	(8,360)	(12,139)
(Loss)/Profit attributable to the:						
- Owners of the parent	(3,943)	(6,824)	383	639	(3,560)	(6,185)
- Non-controlling interests	(3,789)	(6,554)	96	161	(3,693)	(6,393)
(Loss)/Profit for the year	(7,732)	(13,378)	479	800	(7,253)	(12,578)
Total comprehensive income attributable to:						
- Owners of the parent	(4,717)	(6,681)	711	766	(4,006)	(5,915)
- Non-controlling interests	(4,532)	(6,417)	178	193	(4,354)	(6,224)
Total comprehensive income for the year	(9,249)	(13,098)	889	959	(8,360)	(12,139)
Net cash (used in)/generated from						
- Operating activities	(1,544)	(4,121)	1,989	467	445	(3,654)
- Investing activities	(1,711)	(5,119)	(2,553)	(3,228)	(4,264)	(8,347)
- Financing activities	3,575	8,174	-	-	3,575	8,174
Net change in cash and cash equivalents	320	(1,066)	(564)	(2,761)	(244)	(3,827)

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

5. INTANGIBLE ASSETS

GROUP	Goodwill	Trademark	Licence fees	Development right fees	Computer software	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2016						
Net carrying amount						
At beginning of year	430,367	7,646	8,483	55	770	447,321
Additions	-	-	2,758	70	2,306	5,134
Amortisation	-	-	(394)	(19)	(343)	(756)
Write off	-	-	(67)	-	-	(67)
Exchange differences	-	-	19	-	1	20
At end of year	430,367	7,646	10,799	106	2,734	451,652
As at 30 April 2016						
Cost	430,450	7,646	14,893	143	3,768	456,900
Accumulated amortisation	-	-	(4,094)	(37)	(1,034)	(5,165)
Accumulated impairment losses	(83)	-	-	-	-	(83)
Net carrying amount	430,367	7,646	10,799	106	2,734	451,652
2015						
Net carrying amount						
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
As at 30 April 2015						
Cost	430,450	7,646	12,254	73	1,461	451,884
Accumulated amortisation	-	-	(3,771)	(18)	(691)	(4,480)
Accumulated impairment losses	(83)	-	-	-	-	(83)
Net carrying amount	430,367	7,646	8,483	55	770	447,321

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

5. INTANGIBLE ASSETS (CONTINUED)

(a) There were no acquisitions subsequent to 30 April 2016.

(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 rates used reflects specific risks relating to the CGU. The significant pre-tax discount rates, applied to pre-tax cash flows, used for identified CGUs are in the range of 12.00%-13.50% (2015: 11.51% -15.00%).

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.

(c) Impairment testing on trademark

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 CGU. The significant pre-tax discount rate, applied to pre-tax cash flows, used for the identified CGU is 12.00% (2015: 11.51%).

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the CGU to materially exceed the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

6. INVENTORIES

	Group	
	2016	2015
	RM'000	RM'000
At cost		
Food and beverages	13,820	15,260
Inventories for resale	12,493	10,571
Spares and other supplies	8,857	4,659
	35,170	30,490

The cost of inventories recognised as an expense during the financial year in the Group amounted to RM149,430,000 (2015: RM107,208,000).

7. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Trade receivables	1,943	1,633	-	-
Other receivables				
Deposits	33,151	28,611	-	-
Sundry receivables	2,468	2,901	1	1
Amount owing by :				
- related companies	1,046	676	-	-
- subsidiary companies	-	-	60,573	58,012
	36,665	32,188	60,574	58,013
Other current assets				
Prepayments	2,823	4,877	30	42
Indirect tax recoverable	35	124	-	-
	2,858	5,001	30	42
Total trade and other receivables	41,466	38,822	60,604	58,055

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

7. TRADE AND OTHER RECEIVABLES (CONTINUED)

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 (2015: 6 - 90) days terms.

Ageing analysis of trade receivables

	Group	
	2016 RM'000	2015 RM'000
Neither past due nor impaired	1,512	902
1 to 30 days past due not impaired	263	699
31 to 60 days past due not impaired	92	-
61 to 90 days past due not impaired	34	21
More than 90 days past due not impaired	42	11
	431	731
	1,943	1,633

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 RM431,000 (2015: RM731,000) 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.

(b) Sundry receivables

The sundry receivables are non-interest bearing and generally on 30 to 90 (2015: 30 to 90) 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.

The amounts owing by subsidiary companies are unsecured and repayable on demand. The amount totalling RM59,513,000 (2015: RM53,526,000) is interest bearing.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

8. DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Deposits with:				
Licensed bank	-	496	-	496
Other financial institutions	359	467	-	-
	359	963	-	496

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

	Group		Company	
	2016	2015	2016	2015
Interest rates per annum (%)				
- Licensed bank	-	3.10	-	3.10
- Other financial institutions	0.15	0.15	-	-
Maturities (days)				
- Licensed bank	-	22	-	22
- Other financial institutions	44 - 133	43 - 157	-	-

Included in the Group and Company are deposits pledged for the secured short term loan amounting to RMNil (2015: RM496,000).

9. CASH AND BANK BALANCES

Included in the Group and Company are monies held in debt service reserve accounts amounting to RM4,887,000 (2015: RM4,315,000) and RM4,380,000 (2015: RM4,315,000), respectively.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

10. SHARE CAPITAL

	Group and Company			
	Number of shares		Share capital	
	2016 '000	2015 '000	2016 RM'000	2015 RM'000
Ordinary shares of RM0.50 each				
Authorised				
At beginning/end of year	1,200,000	1,200,000	600,000	600,000
Issued and fully paid				
At beginning of year	374,273	269,112	187,137	134,556
Employees' share options exercised	2,344	2,797	1,172	1,399
Warrants exercised	1,671	102,364	835	51,182
At end of year	378,288	374,273	189,144	187,137

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.

11. RESERVES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Share premium	49,466	46,381	49,466	46,381
Merger deficit (Note a)	(55,087)	(55,087)	-	-
ESOS reserve (Note b)	-	1,269	-	1,269
Warrant reserve (Note c)	441	758	441	758
Exchange reserves	612	617	-	-
	(4,568)	(6,062)	49,907	48,408
Retained earnings (Note d)	214,927	213,344	63,027	53,888
	210,359	207,282	112,934	102,296

Notes:

(a) Merger deficit

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

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

11. RESERVES (CONTINUED)

(b) ESOS reserve

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

(c) Warrant reserve

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

Warrants Movement

	Group and Company	
	2016	**2015**
	Units'000	**Units'000**
At beginning of year	3,990	106,354
Exercised during the year	(1,671)	(102,364)
At end of year	2,319	3,990

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 2016 under the single-tier system.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

12. LONG TERM BORROWING

	Group and Company	
	2016	**2015**
	RM'000	**RM'000**
Secured		
Term loan	173,629	186,626
Portion repayable within 12 months included under short term borrowings (Note 17)	(7,139)	-
	166,490	186,626

Details of the long term borrowing outstanding are as follows:

	Group and Company	
	2016	**2015**
	RM'000	**RM'000**
Amounts repayable:		
More than one year but not later than two years	42,373	20,843
More than two years but not later than five years	124,117	140,189
More than five years	-	25,594
	166,490	186,626

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 5.70% to 5.82% (2015: 5.71% to 5.94%).

13. OTHER LONG TERM LIABILITY

	Group	
	2016	**2015**
	RM'000	**RM'000**
Secured		
Hire purchase payable	29	42
Portion repayable within 12 months (Note 16)	(9)	(10)
	20	32

The Group's hire purchase payable bore effective interest rate of 2.81% (2015: 2.81%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
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13. OTHER LONG TERM LIABILITY (CONTINUED)

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

	Group	
	2016 RM'000	2015 RM'000
Gross amount payable:		
Within one year after reporting date	12	13
More than one year but not later than two years	23	35
	35	48
Less: Unexpired interest	(6)	(6)
	29	42

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

	Group	
	2016 RM'000	2015 RM'000
Within one year after reporting date	9	10
More than one year but not later than two years	20	32
	29	42

14. DEFERRED TAX

	Group	
	2016 RM'000	2015 RM'000
At beginning of the year	(1,936)	2,053
Recognised in profit or loss	(1,414)	(2,142)
Recognised in other comprehensive income	11	-
Arising on acquisition of subsidiary company	-	(1,869)
Exchange differences	(51)	22
At end of the year	(3,390)	(1,936)

Presented after appropriate offsetting as follows:

	Group	
	2016 RM'000	2015 RM'000
Deferred tax assets	(5,433)	(4,232)
Deferred tax liabilities	2,043	2,296
	(3,390)	(1,936)

NOTES TO THE FINANCIAL STATEMENTS
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14. DEFERRED TAX (CONTINUED)

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

GROUP	Deferred revenue	Property, plant and equipment	Retirement benefits and others	Total
Deferred Tax Assets	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2016				
At beginning of the year	(8,264)	(941)	(1,823)	(11,028)
Recognised in profit or loss	(2,335)	114	(427)	(2,648)
Recognised in other comprehensive income	-	-	11	11
Exchange differences	(1)	(67)	(3)	(71)
Reclassification	(8)	-	(34)	(42)
At end of the year	(10,608)	(894)	(2,276)	(13,778)
Set-off against deferred tax liabilities				8,345
				(5,433)
2015				
At beginning of the year	-	(158)	(93)	(251)
Recognised in profit or loss	(2,182)	(955)	371	(2,766)
Arising on acquisition of subsidiary	(6,082)	-	(1,944)	(8,026)
Exchange differences	-	14	1	15
Reclassification	-	158	(158)	-
At end of the year	(8,264)	(941)	(1,823)	(11,028)
Set-off against deferred tax liabilities				6,796
				(4,232)

NOTES TO THE FINANCIAL STATEMENTS
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14. DEFERRED TAX (CONTINUED)

GROUP	Property, plant and equipment	Total
Deferred Tax Liabilities	**RM'000**	**RM'000**
2016		
At beginning of the year	9,092	9,092
Recognised in profit or loss	1,234	1,234
Exchange differences	20	20
Reclassification	42	42
At end of the year	10,388	10,388
Set-off against deferred tax assets		(8,345)
		2,043
2015		
At beginning of the year	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 end of the year	9,092	9,092
Set-off against deferred tax assets		(6,796)
		2,296

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

	Group	
	2016	**2015**
	RM'000	**RM'000**
Unused tax losses	27,186	18,745
Unabsorbed capital allowance	157	105

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
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15. PROVISIONS

GROUP	Restoration costs RM'000	Retirement benefits RM'000	Total RM'000
2016			
At beginning of year	10,467	122	10,589
Provision for the year	1,555	43	1,598
Utilisation of provision	(182)	-	(182)
Recognised in other comprehensive income	-	(51)	(51)
Exchange differences	111	9	120
At end of year	11,951	123	12,074
At 30 April 2016			
Current	3,021	-	3,021
Non-current	8,930	123	9,053
	11,951	123	12,074
2015			
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
Exchange differences	14	(6)	8
At end of year	10,467	122	10,589
At 30 April 2015			
Current	1,180	-	1,180
Non-current	9,287	122	9,409
	10,467	122	10,589

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, expires at least 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
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15. PROVISIONS (CONTINUED)

(b) Retirement benefits

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

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

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

	Group	
	2016 RM'000	2015 RM'000
Current service cost	33	29
Actuarial adjustment	-	(193)
Retirement benefits recognised in staff costs	33	(164)
Net interest cost	10	23
	43	(141)

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

	Group	
	2016 %	2015 %
Discount rate	7.95	8.30
Rate of average salary increase	6.00	6.00

Sensitivity analysis for the defined benefit obligations

The management is of the view that changes in the discount rate at the reporting date would affect the defined benefit obligations in the following manner:

	Increase/(decrease) Group		Impact on defined benefit obligations Increase/(decrease) Group	
	2016 %	2015 %	2016 RM'000	2015 RM'000
Discount rate	1.00	1.00	(17)	(18)
Discount rate	(1.00)	(1.00)	22	23

NOTES TO THE FINANCIAL STATEMENTS
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16. TRADE AND OTHER PAYABLES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Trade payables	24,298	37,937	-	6
Other payables				
Sundry payables	15,358	20,888	-	309
Accruals	28,514	24,883	608	607
Deposit refundable	1,277	-	-	-
Amount owing to				
- related companies	414	1,267	2	28
- subsidiary company	-	-	22,356	13,027
Hire purchase payable (Note 13)				
- portion repayable within 12 months	9	10	-	-
	45,572	47,048	22,966	13,971
Other current liability				
Indirect tax payable	1,105	1,844	-	-
	70,975	86,829	22,966	13,977

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 - 120 days (2015: 30 - 120 days) terms.

(b) Sundry payables

These amounts are non-interest bearing. Sundry payables are normally settled on 30 - 180 days (2015: 30 - 180 days) terms.

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

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

NOTES TO THE FINANCIAL STATEMENTS
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17. SHORT TERM BORROWINGS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Secured				
Long term loan - portion repayable within 12 months (Note 12)	7,139	-	7,139	-
Short term loan	14,192	4,431	-	4,431
Unsecured				
Revolving credits	41,000	-	-	-
	62,331	4,431	7,139	4,431

The secured short term loan is secured either by fixed deposits or monies held by debt service reserve accounts as disclosed in Notes 8 and 9.

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

	Group		Company	
	2016 %	2015 %	2016 %	2015 %
Secured				
Short term loan	5.15 - 5.35	4.99 - 5.35	-	4.99 - 5.35
Unsecured				
Revolving credits	4.91 - 5.28	-	-	-

18. DEFERRED INCOME

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

19. REVENUE

Revenue consists of the following:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Sale of food and beverages	554,363	376,780	-	-
Dividend income from subsidiary companies	-	-	40,957	75,544
	554,363	376,780	40,957	75,544

NOTES TO THE FINANCIAL STATEMENTS
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20. FINANCE COST

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Interest expenses on				
- Bank borrowings	12,072	8,042	10,594	8,020
- Unwinding of discount and charge out of deferred transaction costs	1,003	822	1,003	822
- Amounts due to subsidiary company	-	-	1,158	909
- Defined benefit plans (Note 15)	10	23	-	-
- Hire purchase	3	3	-	-
- Loan related expenses	4	-	4	-
	13,092	8,890	12,759	9,751

21. PROFIT BEFORE TAX

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit before tax is arrived at after charging:				
Directors' remuneration (Note 22)				
- emoluments (excluding benefits-in-kind)	1,508	1,906	300	281
- fees	77	92	60	79
Auditors' remuneration				
- statutory audit fee	201	180	35	25
- under provision in prior years	74	2	10	-
- fees for non audit services	140	217	28	130
Depreciation of property, plant and equipment	30,236	26,776	4	1
Amortisation of intangible assets	756	492	-	-
Rental expenses				
- related companies	1,184	69	-	-
- third parties	98,372	76,583	-	-
Royalty expense payable to				
- related company	285	856	-	-
- third party	24,777	13,464	-	-
Staff costs (Note a)	126,721	106,309	(6)	135
Loss on foreign exchange				
- realised	1,085	1,607	-	-
- unrealised	-	47	-	-
Other expenses (Note c)	3,222	9,137	-	1,271

NOTES TO THE FINANCIAL STATEMENTS
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21. PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
and crediting:				
Gain on foreign exchange				
- unrealised	1,074	34	-	-
Other income (Note d)	13,001	173,153	2,392	3,755

(a) Staff costs consist of the following:

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and allowances	96,472	77,579	-	107
Social security costs and employees insurance	1,434	1,340	-	-
Bonuses	4,255	3,785	-	8
Pension costs				
- defined contribution plans	11,516	9,731	-	14
- defined benefit plan	33	(164)	-	-
(Reversal of provision)/provision for short term compensated absences	(6)	97	(6)	6
Share-based payments (Note b)	-	632	-	-
Other staff related expenses	13,017	13,309	-	-
	126,721	106,309	(6)	135

Staff costs exclude remuneration of executive directors.

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

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Share-based payments for:				
- employees of the Group	-	632	-	-
- directors of the Company	-	35	-	35
	-	667	-	35

NOTES TO THE FINANCIAL STATEMENTS
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21. PROFIT BEFORE TAX (CONTINUED)

(c) Other expenses

Included in other expenses are the following:

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 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	1,015	4,382	-	-
Intangible assets written off	67	-	-	-
Property, plant and equipment written off	1,454	572	-	1
Lease termination costs	686	2,911	-	-

(d) Other income

Included in other income are the following:

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Interest income				
- subsidiary company	-	-	2,326	3,351
- financial institutions	215	458	66	154
Gain on remeasurement	-	160,457	-	-
Royalty fee income from a related company	215	307	-	-
Affiliation fee income from joint venture	-	250	-	250
Gain on sale of property, plant and equipment	5	44	-	-
Service charge income	8,192	9,062	-	-

NOTES TO THE FINANCIAL STATEMENTS
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22. 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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Directors of the Company				
Executive				
- Fees	17	13	-	-
- Salaries and other emoluments	744	753	273	270
- Bonus	19	66	19	-
- Benefit-in-kind	17	17	17	17
	797	849	309	287
Non-executive				
- Fees	60	79	60	79
- Other emoluments	8	11	8	11
	68	90	68	90
	865	939	377	377
Other directors of the Group				
- Salaries and other emoluments	737	1,076	-	-
Total directors' remuneration	1,602	2,015	377	377

NOTES TO THE FINANCIAL STATEMENTS
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23. INCOME TAX EXPENSE

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current income tax				
- Malaysian tax	19,261	13,866	441	784
- Foreign tax	-	77	-	-
	19,261	13,943	441	784
Under/(over) provision in prior year				
- Malaysian tax	184	(131)	-	-
- Foreign tax	42	-	-	-
	226	(131)	-	-
	19,487	13,812	441	784
Deferred tax				
- Relating to origination and reversal of temporary differences	(1,938)	(1,774)	-	(1)
- Under/(over) provision in prior year	524	(368)	-	-
	(1,414)	(2,142)	-	(1)
Income tax expense	18,073	11,670	441	783

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS
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23. INCOME TAX EXPENSE (CONTINUED)

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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit before tax	35,615	182,769	29,308	66,676
Applicable tax rate (%)	24	25	24	25
Taxation at applicable tax rate	8,548	45,692	7,034	16,669
Income not subject to tax	(1,472)	(40,313)	(9,830)	(18,886)
Expenses not deductible under tax legislation	8,582	5,840	3,237	3,000
Effect of change in tax rate on opening balance of deferred tax	-	47	-	-
Effect of different tax rate in other countries	54	52	-	-
Effect of other tax incentives	(19)	-	-	-
Effect of share of result of joint venture	-	(1,614)	-	-
Deferred tax assets not recognised during the financial year	1,630	2,470	-	-
Recognition on previously unrecognised deferred tax assets	-	(5)	-	-
Under/(over) provision of income tax in prior years	226	(131)	-	-
Under/(over) provision of deferred tax in prior years	524	(368)	-	-
Income tax expense	18,073	11,670	441	783

NOTES TO THE FINANCIAL STATEMENTS
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24. 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	
	2016	**2015**
	RM'000	**RM'000**
Profit attributable to equity holders	21,290	177,574
Weighted average number of ordinary shares in issue ('000)	375,869	326,351
Basic earnings per share (sen)	5.66	54.41

(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	
	2016	**2015**
	RM'000	**RM'000**
Profit attributable to equity holders	21,290	177,574
Weighted average number of ordinary shares in issue ('000)	375,869	326,351
Assumed shares issued from the		
- exercise of employees' share options ('000)	-	1,665
- exercise of warrants ('000)	1,456	3,013
Adjusted weighted average number of ordinary shares ('000)	377,325	331,029
Diluted earnings per share (sen)	5.64	53.64

NOTES TO THE FINANCIAL STATEMENTS
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25. DIVIDENDS

	Company			
	2016 Dividend per share Sen	2016 Dividend RM'000	2015 Dividend per share Sen	2015 Dividend RM'000
Recognised during the year:				
in respect of prior financial year				
- 3rd interim dividend of 4% or 2.0 sen single-tier dividend (2015: 2nd interim dividend of 5% or 2.5 sen single-tier dividend)	2.00	7,498	2.50	6,996
in respect of current financial year				
- 1st interim dividend of 2% or 1 sen single-tier dividend (2015: 1st interim dividend of 5% or 2.5 sen single-tier dividend)	1.00	3,750	2.50	9,284
- 2nd interim dividend of 2.5% or 1.25 sen single-tier dividend (2015: 2nd interim dividend of 2.5% or 1.25 sen single-tier dividend)	1.25	4,698	1.25	4,669
- 3rd interim dividend of 2% or 1 sen single-tier dividend (2015: Nil)	1.00	3,782	-	-
	5.25	19,728	6.25	20,949

On 10 June 2016, the Company approved and declared a fourth interim single-tier dividend of 1.0 sen per share in respect of the financial year ended 30 April 2016 amounting to about RM3,781,000. 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 2017.

26. 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.

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26. SEGMENTAL INFORMATION (CONTINUED)

Results	2016 RM'000	2015 RM'000
Malaysia	56,802	40,094
Indonesia	(6,187)	(13,534)
Singapore	(1,239)	(205)
Other South-East Asian countries	401	707
	49,777	27,062
Unallocated corporate expenses	(1,285)	(1,505)
	48,492	25,557
Investment related income		
- gain arising from remeasurement	-	160,457
- interest income	215	458
	48,707	186,472
Investment related expenses		
- Corporate exercise expenses	-	(1,270)
Finance costs	(13,092)	(8,890)
Share of results of joint venture	-	6,457
Profit before tax	35,615	182,769
Income tax expenses	(18,073)	(11,670)
Profit for the year	17,542	171,099

	Revenue RM'000	Capital expenditure RM'000	Assets RM'000	Liabilities RM'000
2016				
Malaysia	496,322	51,026	262,723	118,555
Indonesia	12,767	376	7,535	2,970
Singapore	36,746	970	9,427	3,729
Other South-East Asian countries	8,528	2,578	9,884	2,004
	554,363	54,950	289,569	127,258
Unallocated items	-	-	457,085	230,893
Total	554,363	54,950	746,654	358,151
2015				
Malaysia	317,596	43,431	231,471	119,381
Indonesia	13,315	3,989	10,090	4,014
Singapore	38,358	1,776	12,695	5,033
Other South-East Asian countries	7,511	4,454	8,423	2,497
	376,780	53,650	262,679	130,925
Unallocated items	-	-	451,553	195,514
Total	376,780	53,650	714,232	326,439

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27. 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:

	Company				
	1st offer Units	2nd offer Units	3rd Offer Units	Total Units	WAEP (RM)
Outstanding at beginning of year	1,210,200	684,000	750,000	2,644,200	1.06
- Forfeited	(19,560)	(280,800)	-	(300,360)	1.55
- Exercised	(1,190,640)	(403,200)	(750,000)	(2,343,840)	1.00
Outstanding at end of year	-	-	-	-	-

- The weighted average share price at the date of exercise of the options exercised during the financial year was RM2.32.
- The ESOS had expired on 7 March 2016.

NOTES TO THE FINANCIAL STATEMENTS
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27. EMPLOYEES' SHARE OPTION SCHEME (CONTINUED)

Fair value of share options granted

The fair value of the first option granted at the grant date was estimated to be RM0.17 and it has been revised to RM1.27 after the modifications made to the exercise price and number of ESOS pursuant to the rights issue in the financial year ended 30 April 2013.

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	2nd offer	3rd offer
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.

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the transactions detailed in Note 21, the Group had the following transactions with related parties during the financial year:

		Group		Company	
		2016	2015	2016	2015
	Note	RM'000	RM'000	RM'000	RM'000
Management fees payable to BCorp		300	300	300	300
Purchase of cleaning material from Kimia Suchi Marketing Sdn Bhd	a	202	204	-	-
Promotion and advertising expenses charged by Sun Media Corporation Sdn Bhd.	b	778	572	62	10
Loyalty reward charges and reload card payable to BLoyalty Sdn Bhd	a	470	612	-	-
Rental of premises payable to Berjaya Times Square Sdn Bhd	b	1,242	902	-	-

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
30 APRIL 2016

29. KEY MANAGEMENT PERSONNEL COMPENSATION

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Short-term benefits	1,874	1,683	329	333
Post-employment benefits	171	135	48	44
Share-based payment	-	35	-	35
	2,045	1,853	377	412

30. COMMITMENTS

	Group	
	2016 RM'000	2015 RM'000
Capital expenditure		
Property, plant and equipment		
- approved and contracted for	6,735	18,976
- approved but not contracted for	13,098	8,466
	19,833	27,442

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	
	2016 RM'000	2015 RM'000
Non-cancellable operating lease commitments as lessees		
- Within 1 year after reporting date	81,606	70,858
- Later than 1 year but not more than 5 years	177,831	161,933
- More than 5 years	112,100	88,639
	371,537	321,430

31. FINANCIAL GUARANTEES

The financial guarantees provided to financiers for subsidiary are no longer disclosed as contingent liability but would instead be accounted as financial liabilities if considered likely to crystallise. The Company has assessed the financial guarantee contracts and concluded that the financial impact of the guarantees is not material.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

32. FINANCIAL INSTRUMENTS

(a) 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		Company	
		2016	2015	2016	2015
	Note	RM'000	RM'000	RM'000	RM'000
Financial assets					
Loan and receivables					
Trade and other receivables	7	38,608	33,821	60,574	58,013
Deposits with financial institutions	8	359	963	-	496
Cash and bank balances	9	37,464	36,900	5,381	6,018
Total financial assets		76,431	71,684	65,955	64,527
Financial liabilities					
Other financial liabilities					
Trade and other payables	16	69,870	84,985	22,966	13,977
Long term borrowing	12	166,490	186,626	166,490	186,626
Other long term liability	13	20	32	-	-
Short term borrowings	17	62,331	4,431	7,139	4,431
Total financial liabilities		298,711	276,074	196,595	205,034

(b) Determination of fair value

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

Current	Note
Trade and other receivables	7
Long term borrowing	12
Other long term liability	13
Trade and other payables	16
Short term borrowings	17

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

The fair values of financial guarantees are determined based on the probability weighted discounted cash flows method. The probability has been estimated and assigned for the following key assumptions:

- the likelihood of the guaranteed party defaulting within the guaranteed period;
- the exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- the estimated loss exposure if the party guaranteed were to default.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

33. 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	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
<u>Fixed rate instruments</u>				
Financial assets	359	963	59,513	54,022
Financial liabilities	29	42	22,356	13,027
<u>Floating rate instruments</u>				
Financial liabilities	228,821	191,057	173,629	191,057

<u>Fair value sensitivity analysis for fixed rate instruments</u>

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.

<u>Sensitivity analysis for interest rate risk</u>

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 RM572,000 (2015: RM478,000) and by RM434,000 (2015: RM478,000), respectively. This analysis assumes that all the other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

33. 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 significant 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
As at 30 April 2016	
Trade and other payables	
MYR	10,926
BND	124
	11,050
As at 30 April 2015	
Trade and other payables	
MYR	21,151
BND	167
	21,318

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.

Increase/(decrease) to profit for the year		2016 RM'000	2015 RM'000
USD/MYR	- strenghtened 10%	(1,093)	(2,115)
	- weakened 10%	1,093	2,115
USD/BND	- strenghtened 10%	(12)	(17)
	- weakened 10%	12	17

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

33. 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 7. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(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.

As at 30 April 2016, the net current liabilities of the Group was RM64,601,000 (2015: RM20,901,000). Despite the net current liabilities position of the Group, the directors believe the Group is able to generate sufficient cash flows from operations to meet their obligations in the next 12 months. On this basis, the directors have prepared the financial statements of the Group on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

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 five years RM'000	Total RM'000
2016				
Financial liabilities				
Trade and other payables	69,861	-	-	69,861
Hire purchase payables	12	23	-	35
Borrowings	73,172	189,076	-	262,248
	143,045	189,099	-	332,144
2015				
Financial liabilities				
Trade and other payables	84,975	-	-	84,975
Hire purchase payables	13	35	-	48
Borrowings	15,757	194,524	26,733	237,014
	100,745	194,559	26,733	322,037

Company	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
2016				
Financial liabilities				
Trade and other payables	22,966	-	-	22,966
Borrowings	17,622	189,076	-	206,698
	40,588	189,076	-	229,664
2015				
Financial liabilities				
Trade and other payables	13,977	-	-	13,977
Borrowings	15,757	194,524	26,733	237,014
	29,734	194,524	26,733	250,991

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

34. 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	
	2016	2015
	RM'000	RM'000
Long term borrowing	166,490	186,626
Short term borrowings	62,331	4,431
Hire purchase payable	29	42
Total debt	228,850	191,099
Total equity	388,503	387,793
Gearing ratio	58.91%	49.28%

The gearing ratio is not governed by MFRS and its definition and calculation may vary from one Group/Company to another.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2016

35. SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED

The breakdown of the retained earnings of the Group and of the Company into realised and unrealised earnings 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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Realised earnings	51,163	51,081	63,027	53,888
Unrealised earnings	3,390	1,889	-	-
Total retained earnings	54,553	52,970	63,027	53,888
Consolidated adjustments	160,374	160,374	-	-
Retained earnings as per financial statements	214,927	213,344	63,027	53,888

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

FOR THE YEAR ENDED 30 APRIL 2016

Berjaya Food Berhad ("BFood") Group with the Following Related Parties	Nature of Transactions Undertaken by BFood and/or its Unlisted Subsidiaries	Amount Transacted from 1.5.15-30.4.16 (RM'000)
Berjaya Corporation Berhad ("BCorp") and its unlisted subsidiaries:-		
BCorp	Management fees payable by BFood for services rendered that include, inter-alia, the provision of finance, secretarial and general administrative services.	300
Berjaya Registration Services Sdn Bhd	Receipt of share registration services and other related services by BFood.	45
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.	124
	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.	144
Berjaya Education Sdn Bhd	Receipt of education and staff training services by BFood Group	7
BLoyalty Sdn Bhd	Procurement of reload Procurement of reload card and other related services by Berjaya Roasters (M) Sdn Bhd ("BRoasters").	310
	Loyalty reward charges payable by BFood Group.	160
Roasters Asia Pacific (M) Sdn Bhd	Royalty fee payable by BRoasters.	274
	Income receivable pursuant to the rights awarded by BRoasters for granting of franchises to the Independent Franchisees	215
Roasters Asia Pacific (Cayman) Limited	Royalty fee payable by PT Boga Lestari Sentosa ("PT Boga") in respect of ongoing training and support services provided.	20
	Advertisement and promotion fund paid/payable by PT Boga.	34
	Royalty fee payable by Berjaya Roasters Cambodia Limited (BRCL") in respect of ongoing training and support services provided.	3
	Advertisement and promotion fund paid/payable by BRCL.	2
Securexpress Services Sdn Bhd	Provision of transportation services to BRoasters.	67
Kimia Suchi Marketing Sdn Bhd	Purchase of cleaning chemical products by BRoasters.	202
E.V.A. Management Sdn Bhd	Receipt of human resource management services by the BFood Group.	9
Total		**1,916**

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE
FOR THE YEAR ENDED 30 APRIL 2016

Berjaya Food Berhad ("BFood") Group with the Following Related Parties	Nature of Transactions Undertaken by BFood and/or its Unlisted Subsidiaries	Amount Transacted from 1.5.15-30.4.16 (RM'000)
Berjaya Land Berhad ("BLand") and its unlisted subsidiaries:-		
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.	66
	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.	11
	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.	230
	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.	3
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.	118
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.	15
	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.	50
	Rental payable by BStarbucks at RM1,314 per month for renting of store at Lot 3.01 & 3.04, Podium Block, 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.	16
Berjaya Guard Services Sdn Bhd	Receipt of security guard services by BStarbucks.	175
ANSA Hotel KL Sdn Bhd (formerly known as Absolute Prestige Sdn Bhd)	Rental payable by BStarbucks at RM92,952 per month for renting of shoplot at Lot 03, Ground floor, ANSA Hotel KL, Bukit Bintang, 55100 Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	1,115
Total		**1,805**

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE
FOR THE YEAR ENDED 30 APRIL 2016

Berjaya Food Berhad ("BFood") Group with the Following Related Parties	Nature of Transactions Undertaken by BFood and/or its Unlisted Subsidiaries	Amount Transacted from 1.5.15-30.4.16 (RM'000)
Berjaya Assets Berhad ("BAssets") and its unlisted subsidiaries:-		
Berjaya Times Square Sdn Bhd	Rental payable at RM30,195 per month for renting of shoplot by BRoasters at Lot 03-85, Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	363
	Rental payable at RM19,920 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.	239
	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.	259
	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.	7
	Rental payable at RM7,840 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.	86
	Rental payable at RM13,818 per month or based on 15% of monthly gross sales generated, whichever is higher, 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.	288
BTS Car Park Sdn Bhd	Parking charges payable by BFood Group.	153
Total		**1,395**
Berjaya Auto Berhad ("BAuto") and its unlisted subsidiaries:-		
Bermaz Motor Trading Sdn Bhd	Purchase of Mazda vehicles, component parts and other related products and procurement of after-sales services by BFood Group.	81
Total		**81**

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE
FOR THE YEAR ENDED 30 APRIL 2016

Berjaya Food Berhad ("BFood") Group with the Following Related Parties	Nature of Transactions Undertaken by BFood and/or its Unlisted Subsidiaries	Amount Transacted from 1.5.15-30.4.16 (RM'000)
Berjaya Media Berhad ("BMedia") and its unlisted subsidiaries:-		
Sun Media Corporation Sdn Bhd	Procurement of advertising and publishing services by BFood Group.	778
Total		**778**
Other related companies:-		
Qinetics Services Sdn Bhd (a)	Purchase of hardware, software and network equipment, maintenance and management services by BFood Group.	155
MOLPay Sdn Bhd (b)	Receipt of advertisement fee by BStarbucks for advertisement placement in retail wifi landing page.	26
Total		**181**
Grand total		**6,156**

Notes:

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

b. MOLPay Sdn Bhd is 51%-owned subsidiary of MOL AccessPortal which in turn is a wholly-owned subsidiary of MOL Global Inc. TSVT and BCorp are Major Shareholders of MOL Global Inc.

OTHER INFORMATION

MATERIAL CONTRACTS

Other than as disclosed in Notes 7, 16, 19, 21, 28 and 30 to the financial statements for the financial year ended 30 April 2016, 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 2016 amounted to RM140,000.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

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 2016 with information as follows:-

	During the financial year ended 30 April 2016
Total number of options granted	–
Total number of options exercised	2,343,840
Total options outstanding	–

Granted to Directors	**During the financial year ended 30 April 2016**
Aggregate options granted	–
Aggregate options exercised	477,940
Aggregate options outstanding	–

Granted to Directors & Senior Management	**During the financial year ended 30 April 2016**	**Since commencement of the ESOS on 8 March 2011**
Aggregate maximum allocation in percentage	–	50.00%
Actual percentage granted	–	30.24%

The above ESOS had expired on 7 March 2016.

STATEMENT OF DIRECTORS' SHAREHOLDINGS
AS AT 11 JULY 2016

The Company

	Number of Ordinary Shares of RM0.50 each			
	Direct Interest	**%**	**Deemed Interest**	**%**
Dato' Sri Robin Tan Yeong Ching	2,089,300	0.55	–	–
Dato' Lee Kok Chuan	1,848,200	0.49	–	–
Tan Thiam Chai	325,800	0.09	–	–
Datuk Zainun Aishah Binti Ahmad	169,800	0.04	–	–
Dato' Mustapha Bin Abd Hamid	231,800	0.06	–	–

	Number of Warrants			
	Direct Interest	**%**	**Deemed Interest**	**%**
Tan Thiam Chai	120,000	5.22	–	–

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	626,317,595	13.60
			5,000 #	0.00
Dato' Lee Kok Chuan	24,011	0.00	8 #	0.00
Tan Thiam Chai	123,294	0.00	104,164 #	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	0.41	66,329,000	10.28
			1,000 #	0.00
Dato' Lee Kok Chuan	50,000	0.01	–	–
Tan Thiam Chai	20,600	0.00	17,400 #	0.00

	Number of 2% Irredeemable Convertible Unsecured Loan Stocks 2016/2026 of RM1.00 nominal value each			
	Direct Interest	**%**	**Deemed Interest**	**%**
Dato' Lee Kok Chuan	1,000	0.00	–	–
Tan Thiam Chai	1,000	0.00	–	–

	Number of Warrants 2012/2022			
	Direct Interest	**%**	**Deemed Interest**	**%**
Dato' Sri Robin Tan Yeong Ching	2,620,500	0.37	87,029,000	12.43
			1,000 #	0.00
Tan Thiam Chai	20,600	0.00	17,400 #	0.00

	Number of Warrants 2016/2026			
	Direct Interest	**%**	**Deemed Interest**	**%**
Dato' Lee Kok Chuan	1,000	0.00	–	–
Tan Thiam Chai	1,000	0.00	–	–

STATEMENT OF DIRECTORS' SHAREHOLDINGS
AS AT 11 JULY 2016

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	1,007,142	0.07	–	–
Dato' Lee Kok Chuan	61,833	0.00	–	–
Tan Thiam Chai	172,284	0.01	133,165 [#]	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 11 July 2016.

SUBSTANTIAL SHAREHOLDERS AS AT 11 JULY 2016

	Number of Ordinary Shares of RM0.50 each			
Name	**Direct Interest**	**%**	**Deemed Interest**	**%**
Berjaya Group Berhad	162,276,720	42.92	200,000 [(a)]	0.05
Berjaya Corporation Berhad	–	–	162,476,720 [(b)]	42.98
Tan Sri Dato' Seri Vincent Tan Chee Yioun	1,000,000	0.26	165,668,520 [(c)]	43.82
UBS AG London	20,238,700	5.35	–	–
Norges Bank	19,542,800	5.17	–	–

(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 11 JULY 2016

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
less than 100	159	7.84	1,653	0.00
100 - 1,000	665	32.81	346,475	0.09
1,001 - 10,000	839	41.39	3,633,374	0.96
10,001 - 100,000	228	11.25	6,717,160	1.78
100,001 - 18,903,376	132	6.51	242,150,178	64.05
18,903,377* and above	4	0.20	125,218,700	33.12
Total	**2,027**	**100.00**	**378,067,540**	**100.00**

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

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

THIRTY (30) LARGEST SHAREHOLDERS

	Name of Shareholders	No. of Shares Held	%
1	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad (Berjaya Corp)	45,400,000	12.01
2	Cartaban Nominees (Tempatan) Sdn Bhd Raiffeisen Bank International Ag, Singapore Branch For Berjaya Group Berhad	40,000,000	10.58
3	Citigroup Nominees (Asing) Sdn Bhd UBS AG	20,238,700	5.35
4	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad	19,580,000	5.18
5	CIMB Group Nominees (Asing) Sdn Bhd Exempt An For DBS Bank Ltd (SFS)	18,480,000	4.89
6	ABB Nominee (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad (BCORP RC5)	12,500,000	3.31
7	RHB Nominees (Tempatan) Sdn Bhd Bank Of China (Malaysia) Berhad Pledged Securities Account For Berjaya Group Berhad	11,000,000	2.91
8	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad (414084-91161A)	10,696,720	2.83
9	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Berjaya Group Berhad	10,000,000	2.65
10	Citigroup Nominees (Asing) Sdn Bhd Exempt An For Citibank New York (Norges Bank 12)	9,417,800	2.49
11	Tokio Marine Life Insurance Malaysia Bhd As Beneficial Owner (PF)	8,500,000	2.25
12	Citigroup Nominees (Asing) Sdn Bhd UBS Sec LLC For Chambers Street Global Fund, LP	6,950,100	1.84

STATISTICS ON SHARES AND WARRANTS
AS AT 11 JULY 2016

THIRTY (30) LARGEST SHAREHOLDERS (CONTINUED)

	Name of Shareholders	No. of Shares Held	%
13	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (RHB INV)	6,106,000	1.62
14	ABB Nominee (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Bhd (Berjaya Corporation Bhd RC Facility)	6,100,000	1.61
15	Lim Boon Liat	5,100,000	1.35
16	DB (Malaysia) Nominee (Asing) Sdn Bhd SSBT Fund W4B0 For Wasatch International Opportunities Fund	4,908,278	1.30
17	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Arsam Bin Damis (AA0023)	4,800,000	1.27
18	Citigroup Nominees (Asing) Sdn Bhd Exempt An For Citibank New York (Norges Bank 9)	4,576,600	1.21
19	Amanahraya Trustees Berhad Public Smallcap Fund	4,415,860	1.17
20	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Insurance Berhad (Equity Fund)	4,134,700	1.09
21	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad	4,000,000	1.06
22	HSBC Nominees (Asing) Sdn Bhd BBH And Co Boston For Daiwa Rising Asean Equity Fund (JTSB SMTB)	3,887,000	1.03
23	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For RHB Kidsave Trust	3,803,200	1.00
24	Malacca Equity Nominees (Tempatan) Sdn Bhd Exempt An For Phillip Capital Management Sdn Bhd	3,674,800	0.97
25	Citigroup Nominees (Asing) Sdn Bhd Exempt An For Citibank New York (Norges Bank 14)	3,636,200	0.96
26	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Kok Ping	3,500,000	0.93
27	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad For Eastspring Investmentssmall-Cap Fund	3,290,000	0.87
28	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Retail Berhad	3,191,800	0.84
29	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Insurance Berhad (Managed Fund)	3,189,500	0.84
30	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For CIMB-Principal Small Cap Fund (240218)	3,142,700	0.83
		288,219,958	**76.24**

STATISTICS ON SHARES AND WARRANTS
AS AT 11 JULY 2016

ANALYSIS OF WARRANT HOLDINGS

Size of Warrant Holding	No. of Warrant Holders	%	No. of Warrants	%
less than 100	7	2.64	343	0.02
100 - 1,000	105	39.62	53,897	2.34
1,001 - 10,000	116	43.78	504,600	21.94
10,001 - 100,000	30	11.32	762,340	33.15
100,001 - 114,990	3	1.13	329,540	14.33
114,991* and above	4	1.51	649,100	28.22
Total	**265**	**100.00**	**2,299,820**	**100.00**

* Denotes 5% of the Warrants outstanding.

THIRTY (30) LARGEST WARRANT HOLDERS

	Name of Warrant Holders	No. of Warrants Held	%
1	HSBC Nominees (Asing) Sdn Bhd TNTC For Aps Fund	285,000	12.39
2	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yong Chen Kong @ Joseph Yong	125,100	5.44
3	Tan Thiam Chai	120,000	5.22
4	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yong Chen Kong @ Joseph Yong (E-IMO)	119,000	5.17
5	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Desa Artistik Sdn Bhd (E-SS2)	114,000	4.96
6	Ting Siew Pin	110,000	4.78
7	CIMB Group Nominees (Tempatan) Sdn Bhd PB Trustee Services Berhad For CIMB-Principal Wholesale Equity Fund (50008 HDOF)	105,540	4.59
8	Lee Siew Weng	94,800	4.12
9	Tan Hock Tong	71,400	3.10
10	Wong Jam Yong	43,000	1.87
11	Yee Han Ming	35,400	1.54
12	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Eg Kaa Chee (STC)	35,000	1.52
13	Tan Gim Eam	31,000	1.35
14	Pang Yang Chung	30,500	1.33
15	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Yang Boo Ta @ Yang Yuh Pang (MM1223)	30,000	1.30

STATISTICS ON SHARES AND WARRANTS
AS AT 11 JULY 2016

THIRTY (30) LARGEST WARRANT HOLDERS (CONTINUED)

	Name of Warrant Holders	No. of Warrants Held	%
16	Tan May Lee	25,000	1.09
17	Adeline Chew Li Ling	25,000	1.09
18	Lim Shir Lin	25,000	1.09
19	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ting Hua Hiek	24,000	1.04
20	Yee Jen Cheong	22,400	0.97
21	Leong Khai Wah	22,200	0.97
22	Eg Kaa Chee	22,000	0.96
23	Kok May Leng	20,000	0.87
24	Cimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Liew Pooi Keong (C Heights-CL)	19,240	0.84
25	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yap Khoon Tian (STA 2)	18,000	0.78
26	Koong Siew Khei	17,500	0.76
27	Tee Sew Peng	17,200	0.75
28	Maybank Nominees (Tempatan) Sdn Bhd Lai Chuan Voon	16,000	0.70
29	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yong Lee Ping	15,300	0.66
30	Kok Mew Leng	15,000	0.65
		1,653,580	**71.90**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting of Berjaya Food Berhad will be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 5 October 2016 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the audited financial statements of the Company for the financial year ended 30 April 2016 and the Directors' and Auditors' Reports thereon.

2. To approve the payment of Directors' fees amounting to RM60,000 for the financial year ended 30 April 2016. **Resolution 1**

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

   (a) Dato' Sri Robin Tan Yeong Ching **Resolution 2**

   (b) Dato' Mustapha Bin Abd Hamid **Resolution 3**

4. To re-appoint Datuk Zainun Aishah Binti Ahmad as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965. **Resolution 4**

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

6. As special business:-

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

   (i) Authority to issue and allot shares pursuant to Section 132D of the Companies Act, 1965

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

   (ii) Proposed Renewal of and new Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

   "THAT, subject to the provisions of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, approval be and is hereby given for the Company and its 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 18 August 2016 ("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 approval 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 ordinary resolution for the Proposed Mandate was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;

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

NOTICE OF ANNUAL GENERAL MEETING

(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 7**

(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 ordinary 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 8**

By Order of the Board

THAM LAI HENG MICHELLE
(MAICSA 7013702)
Secretary

Kuala Lumpur
18 August 2016

NOTES:

1. **Audited Financial Statements**

   Agenda Item 1 is for discussion at the meeting and no voting is required.

2. **Directors' Fee**

   The Directors' Fees of RM60,000/= under Resolution 1 was the same amount as in the previous financial year ended 30 April 2015.

3. **Proposed re-appointment of Director**

   Resolution 4 is proposed for the re-appointment of Datuk Zainun Aishah Binti Ahmad, the Director of the Company who will attain the age of 70 years in September 2016, to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965.

4. **Authority to issue and allot shares pursuant to Section 132D of the Companies Act, 1965**

   Resolution 6 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 Sixth Annual General Meeting held on 5 October 2015 and which will lapse at the conclusion of the Seventh 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.

5. **Proposed Renewal of and new Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

   Resolution 7, if passed, will allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Shareholders' Mandate"). Detailed information on the Proposed Shareholders' Mandate is set out in the Circular/Statement to Shareholders dated 18 August 2016 which is despatched together with the Company's 2016 Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

6. **Proposed Renewal of Authority for the Company to Purchase its Own Shares**

   Resolution 8, 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 18 August 2016 which is despatched together with the Company's 2016 Annual Report.

7. **Proxy and Entitlement of Attendance**

   (i) A proxy may but need not be a member and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

   (ii) A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.

   (iii) An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), may appoint one (1) proxy in respect of each securities account.

   (iv) An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), may appoint multiple proxies in respect of each of its omnibus account.

   (v) An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.

   (vi) The duly executed Form of Proxy must be deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur before 11.00 a.m. on Tuesday, 4 October 2016.

   (vii) Only members whose names appear in the Record of Depositors as at 27 September 2016 will be entitled to attend and vote at the meeting.

8. **Poll Voting**

   Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

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 Seventh Annual General Meeting of the Company to be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 5 October 2016 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' Sri Robin Tan Yeong Ching as Director.		
RESOLUTION 3	To re-elect Dato' Mustapha Bin Abd Hamid as Director.		
RESOLUTION 4	To re-appoint Datuk Zainun Aishah Binti Ahmad as Director.		
RESOLUTION 5	To re-appoint Auditors.		
RESOLUTION 6	To approve authority to issue and allot shares.		
RESOLUTION 7	To renew shareholders' mandate for Recurrent Related Party Transactions.		
RESOLUTION 8	To renew authority to purchase its own shares by the Company.		

____
Signature(s)/ Common Seal of Member(s)

NO. OF SHARES HELD

Dated this ______________ day of ______________, 2016.

Notes:

(1) A proxy may but need not be a member and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(2) A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.

(3) An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), may appoint one (1) proxy in respect of each securities account.

(4) An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), may appoint multiple proxies in respect of each of its omnibus account.

(5) An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.

(6) The duly executed Form of Proxy must be deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur before 11.00 a.m. on Tuesday, 4 October 2016.

(7) Only members whose names appear in the Record of Depositors as at 27 September 2016 will be entitled to attend and vote at the meeting.

(8) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

Fold this flap for sealing

Affix Stamp

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

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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 (East 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

Berjaya Food Berhad

Lot 13-01A, Level 13 (East Wing), Berjaya Times Square,
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