BERJAYA FOOD BERHAD

[Registration No. 200901032946 (876057-U)]

ANNUAL REPORT

2020

Kenny Rogers ROASTERS Deliciously Healthy

STARBUCKS

Jollibean We've bean spreading joy

Joybean We've bean spreading joy

VISION

To be the leading Food and Beverage organisation with a portfolio of reputable brands that will enhance profitable and sustainable growth and stakeholder returns.

MISSION

1. To ensure we provide a people culture that is performance driven and built on the foundations of personal development, diversity and mutual respect for each other.

2. To ensure total customer satisfaction.

3. To generate a profitable rate of return for all our shareholders.

4. To carry out our business in ways that are socially and environmentally responsible.

WHAT'S INSIDE

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 24 November 2017, Berjaya Food (International) Sdn Bhd ("BFI"), disposed of its entire stake in 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 30 January 2018, the Company's wholly-owned subsidiary, BFI completed the disposal of 5% equity interest in Jollibean Foods to Mr Sydney Lawrance Quays for a cash consideration of SGD150,000 (equivalent to about RM445,020).

On 7 October 2013, BFI 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 19 August 2020, BFI entered into a subscription cum shareholders agreement for the proposed subscription of 50% of the enlarged issued share capital of Ser Vegano Sdn Bhd ("SER") for a total cash subscription price of RM250,000. SER is operating a Latin-inspired, Tex-Mex, plant-based vegan restaurant under the name "Sala".

6-in-1 Mixed Joybean Pancake Rolls, Kenny Rogers ROASTERS-Epic Roast and Starbucks Nitro Cold Brew

CORPORATE PROFILE

Starbucks KTCC Mall (Kuala Terengganu City Centre)

Joybean Malaysia in Sunway Pyramid Mall

STARBUCKS

Starbucks Coffee in Malaysia is operated by BStarbucks. From its first store opening in Kuala Lumpur on 17 December 1998, Starbucks is now available in 15 states and federal territories in Malaysia. As at 30 June 2020, there are a total of 316 stores nationwide.

BStarbucks is also the first coffeehouse in Malaysia to introduce a drive-thru concept store in December 2009 in Johor Bahru. As at 30 June 2020, there are a total of 52 Starbucks drive-thru concept stores across Malaysia. In 2015, BStarbucks opened the first Starbucks Reserve™ concept store as part of its commitment to push the premium coffee experience even further through the retail of some of the world's most exceptional beans and an immersive coffeehouse experience. As of 30 June 2020, there are 12 Starbucks Reserve stores in Malaysia. The company also operates the world's first Starbucks Signing Store, which promotes accessibility and offers employment and development for the Deaf community. In November 2019, it opened its second Starbucks Signing Store in Burmah Road, Penang - the fourth of its kind in the world.

On 16 February 2014, BStarbucks also operates Starbucks Coffee in Brunei. The company opened its first store in Mabohai Shopping Complex, which features a traditional coffee bar or also known as an "Experience Bar" to allow customers to savor their favorite Starbucks coffees with a different taste profile using the pour-over brewing method. On 7 September 2014, BStarbucks opened its first drive-thru concept store in Beribi, and as at 30 June 2020, there are 4 Starbucks stores in Brunei.

JOLLIBEAN

Jollibean Foods was first incorporated in November 1993 in Singapore. The brand came to life through the inspiration of a simple goal: to make available traditional drinks and snacks typically found in wet markets by repackaging them in a fuss-free and affordable way for every day customers. Since then, Jollibean Foods has developed from one speciality store to a chain of over 33 outlets under four different brand concepts, including Jollibean with 22 outlets, Sushi Deli with 10 outlets and Kopi Alley with its 1 outlet, as of 30 June 2020.

In March 2020, Jollibean Foods also opened its newest concept store, Joybean by Jollibean in Our Tampines Hub, which is its first halal-certified store in Singapore. Jollibean Foods also operates Joybean in Malaysia, which opened its first outlet in Sunway Pyramid and features locally-inspired menu as well as Jollibean's core favourites such as the crispy pancake and mini rolls. As of 30 June 2020, there are a total of 5 Joybean outlets within Malaysia.

Jollibean's signature products are its fresh daily-made 'Jollibean' soy milk using Grade A, non-genetically modified organism (non-GMO), identity-preserved (IP) Canadian soy beans to ensure the highest quality of its product each time. It also introduced traditional snacks such as the popular street pancake – Mee Chiang Kueh – which complements their soy milk offerings. All of Jollibean's products are prepared fresh at the start of each day, while all unsold food products are discarded or donated.

Its Sushi Deli outlets 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. In 2006, Jollibean Foods opened its first traditional kopi café concept, Kopi Alley, which offers traditional café foods like toasted bread with kaya, as well as local delights such as nasi lemak and mee siam.

CORPORATE PROFILE

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. As at 30 June 2020, there are a total of 77 KRR restaurants across Malaysia including the first KRR restaurant in Terengganu.

KRR still stays true to its philosophy of serving up wholesome, hearty meals in all their menu offerings. Their rotisserie-roasted chicken is complemented by a variety of hot and cold sides and KRR's famously delicious muffins, salads, pastas, soup, desserts and an effervescent array of creative beverages – all served in a friendly and comfortable environment. All KRR restaurants serve their customers in a full service, mid-casual dining setting providing customers with a wholesome dining experience.

Kenny Rogers ROASTERS Seoul Sedap Chikin Promotion

Jollibean Waffle

Starbucks Caramel Macchiato and Cocoa Macchiato

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Tunku Shazuddin Bin Tunku Sallehuddin
Chairman/Independent Non-Executive Director

Sydney Lawrance Quays
Chief Executive Officer

Tan Thiam Chai
Chryseis Tan Sheik Ling
Non-Independent Non-Executive Directors

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

AUDIT AND RISK MANAGEMENT COMMITTEE

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

SECRETARIES

Tham Lai Heng Michelle (MAICSA No. 7013702)
(SSM Practising Certificate No. 202008001622)
Wong Siew Guek (MAICSA No. 7042922)
(SSM Practising Certificate No. 202008001490)
Wong Poo Tyng (MAICSA No. 7056052)
(SSM Practising Certificate No. 202008001580)

SHARE REGISTRAR

Berjaya Registration Services Sdn Bhd
Lot 10-04A & 10-04B, Level 10, West
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel : 03-2145 0533
Fax : 03-2145 9702

AUDITORS

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : 03-7495 8000
Fax : 03-2095 5332

REGISTERED OFFICE

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

PRINCIPAL BANKERS

AmBank (M) Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK SHORT NAME

BJFOOD (5196)

PLACE OF INCORPORATION AND DOMICILE

Malaysia

PROFILE OF DIRECTORS

DATO' TUNKU SHAZUDDIN BIN TUNKU SALLEHUDDIN
Chairman/
Independent Non-Executive Director

Age 50

MALAYSIAN

He was appointed to the Board on 4 December 2017 as the Chairman of the Company. He is a member of the Nomination Committee, Audit and Risk Management Committee, Remuneration Committee and Employees' Share Scheme Committee.

He graduated from Kansas Wesleyan University, United States of America, majoring in design and marketing. He began his career with Johan Design Associates and managed numerous design projects from graphic, interior design to branding for various corporate and private clients. He continued his career in the same industry with other companies including Hewlett Packard, Data One and Keppel Group of Singapore until year 2001. In 2002, he ventured into the design business and formed an agency in 2005 and subsequently became a major shareholder for both Rethink Sdn Bhd and Reka 3 Sdn Bhd.

Currently, he is the Chairman and a Director of Naza Italia Sdn Bhd. He is also a shareholder and Managing Director of Seri Libana Sdn Bhd, a company involved in interior fit-outs and project management specifically handling government contracts. He also provided consultancy services to various state and government departments, including acquisition of new technologies and funding for various agricultural and tourism initiatives.

SYDNEY LAWRANCE QUAYS
Chief Executive Officer

Age 52

MALAYSIAN

He was appointed to the Board on 12 January 2017 as an Executive Director and subsequently appointed as the Chief Executive Officer of the Company on 1 June 2017. He is the Chairman of the Employees' Share Scheme Committee. He is also a member of the Sustainability Committee.

He graduated with Honors from the American Hotel and Lodging Association, United States of America majoring in Hospitality Management and Marketing in 1988. He started his career in the hotel industry, moving through different divisions and subsequently joined the quick service restaurant industry, working for McDonald's Malaysia as a trainee manager in 1989.

He was a pioneer with Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks"), holding the position as Marketing and Merchandise Manager when he joined in 1998. Subsequently, he was appointed as Managing Director of BStarbucks on 31 October 2012 and Berjaya Food Supreme Sdn Bhd ("BFood Supreme") on 24 September 2013. He has been awarded "The Asia Pacific Entrepreneurship Award" in the year 2014 and 2016 respectively and "The Asia Responsible Entrepreneur" in 2016.

Currently, he is overseeing the day-to-day operational decisions for BStarbucks, Berjaya Roasters (M) Sdn Bhd ("BRoasters"), Jollibean Foods Pte Ltd ("JFPL") and BFood Supreme. He is also responsible for developing the business strategies and directions for business growth and new market expansion as well as preparing and implementing comprehensive business and marketing plans, bringing new and innovative ideas to build sales and elevate brand status. In addition, he is also responsible for the financial performance, profitability and future prospects of the business.

He is a Managing Director of Berjaya Food Trading Sdn Bhd ("BFood Trading") and is responsible for the growth of BFood Trading, which operates the fast-moving consumer goods ("FMCG") business, overseeing the expansion of the FMCG business into different channels and other retail sections as well as new products implementation.

He is also a Director of BRoasters, Berjaya Jollibean (M) Sdn Bhd, JFPL, Berjaya Food (International) Sdn Bhd, and holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

PROFILE OF DIRECTORS

TAN THIAM CHAI

Non-Independent Non-Executive Director

Age 61

MALAYSIAN

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, Audit and Risk Management Committee, Remuneration Committee and Sustainability 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.

He was previously appointed as the Chief Financial Officer of Berjaya Corporation Berhad ("BCorp") on 18 July 2008 until his retirement on 31 December 2018 and he is currently the Financial Adviser of BCorp. He is also 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 and Cosway Corporation Limited (Hong Kong).

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

CHRYSEIS TAN SHEIK LING

Non-Independent Non-Executive Director

Age 31

MALAYSIAN

She was appointed to the Board on 15 March 2018 as a Non-Independent Non-Executive Director.

She graduated with a Bachelor of Arts in Liberal International Studies from Waseda University, Tokyo in 2012. She also did an exchange programme in Accounting and Finance in London School of Economics, United Kingdom for a year in 2010.

Currently, Ms Chryseis Tan is the Chief Executive Officer of Berjaya Times Square Sdn Bhd, a wholly owned principal subsidiary of Berjaya Assets Berhad, mainly involved in the marketing and overall management of Berjaya Times Square Mall located in Kuala Lumpur.

Ms Chryseis Tan is also a Director and Chairman of Natural Avenue Sdn Bhd ("NASB"), a subsidiary of Berjaya Assets Berhad since 1 August 2014. NASB is the exclusive agent for Sarawak Turf Club's Special Cash Sweep Number Forecast Lotteries in Sarawak.

Presently, Ms Chryseis Tan is an Executive Director of Berjaya Assets Berhad and Berjaya Land Berhad as well as the Head of Marketing for Four Seasons Hotel and Residences, Kyoto, Japan, a hotel and residences development project undertaken by Berjaya Kyoto Development (S) Pte Ltd, a subsidiary company of Berjaya Corporation Berhad. She also holds directorships in several other private limited companies.

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

PROFILE OF DIRECTORS

DATUK ZAINUN AISHAH BINTI AHMAD

Independent Non-Executive Director

Age 74

MALAYSIAN

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 Sustainability Committee. She is also a member of the Remuneration Committee and Employees' Share Scheme 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.

Currently, she is a Director of Degem Berhad, Boustead Holdings Berhad, British American Tobacco (Malaysia) Berhad and Pernec Corporation Berhad.

DATO' MUSTAPHA BIN ABD HAMID

Independent Non-Executive Director

Age 67

MALAYSIAN

He was appointed to the Board on 20 May 2010 as an Independent Non-Executive Director. He is the Chairman of the Remuneration Committee. He is also a member of the Nomination Committee, Audit and Risk Management Committee and Sustainability 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 was appointed as Chancellor of Saito University College in April 2018 and at the same time was awarded an Honorary Doctorate in Education.

Currently, he is a Director of Teo Guan Lee Corporation Berhad, Acmar FHP Group Berhad and Lii Hen Industries Bhd. 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

CHIN WAN CHING (LOUISE)

50 years of age, Malaysian, Female
Vice President, Finance
Berjaya Starbucks Coffee Company Sdn Bhd, Berjaya Food Supreme Sdn Bhd and Berjaya Food Trading Sdn Bhd

Louise graduated with a professional accounting qualification, Association of Chartered Certified Accountants (ACCA) in 1995 and currently is a member of Malaysian Institute of Accountants (MIA).

She joined Starbucks Malaysia on 1 December 2008 as a Financial Analyst and was appointed as the Vice President of Finance on 1 October 2017. With her vast experience in the field of accounting and finance in various service industries, she has grown her career to her current position and spearheads the Finance and Accounts Department, Supply Chain Operations (SCO) Department and Sustainability Department. She also oversees the Finance and Accounts Department in Berjaya Food Supreme Sdn Bhd (Starbucks Brunei) and Berjaya Food Trading Sdn Bhd since its inception.

BEH HARK YIM (JUNE)

45 years of age, Malaysian, Female
Director of Partner Resources & Compliance
Berjaya Starbucks Coffee Company Sdn Bhd and Berjaya Food Supreme Sdn Bhd

June serves as the head of organizational and cultural excellence at Starbucks, responsible for driving the organizational strategy and culture by creating a strong sense of ownership and positive synergy. She also looks after performance management and capability building where she is helping to accelerate transformation through leadership by attracting and developing the best talent and building a culture of engagement, accountability and ownership.

She graduated in Bachelor of Arts majoring in Business Administration from Ottawa University, USA in 2001 and has completed her Diploma in Human Resources Management from MIHRM in 2003.

She received the award for HR Leader – Gold Award 2015 by Malaysia Institute of HRM.

JEFFREY NG TEIK SIN

42 years of age, Malaysian, Male
Director of Real Estate
Berjaya Starbucks Coffee Company Sdn Bhd

Jeffrey holds the Master of Business Administration from the University of Sunderland in 2012 and started his career with Starbucks in 2011 as a Store Development Manager.

He has over 13 years of industry experience in retail outlet development for several companies. His experience allows him to strategize the growth acceleration of Starbucks drive-thru stores and also oversee the growth of other brands in Berjaya Food Berhad.

LUNG HIAN KIAT (JORDAN)

36 years of age, Malaysian, Male
Commercial Director
Berjaya Food Trading Sdn Bhd

Jordan has 12 years of fast moving consumer goods and trading experience in both sales and marketing divisions. He is also a Masters graduate from University of Nottingham Trent UK.

He joined Berjaya Food Trading Sdn Bhd as Senior Business Manager on 11 July 2016 and was promoted as Commercial Director on 1 January 2019 due to the successful launches of Starbucks and Joybean ready to drink series.

He currently heads Berjaya Food Trading Sdn Bhd and expanding its distribution network to other countries such as Singapore, Maldives, etc.

LEE SIEW FEI

55 years of age, Malaysian, Female
General Manager
Berjaya Roasters (M) Sdn Bhd

Siew Fei started her career in 1984 when she joined Golden Arches Restaurant Sdn Bhd as a Purchasing Assistant. After graduating from Informatics College Malaysia, she subsequently joined Berjaya Roasters (M) Sdn Bhd as an Assistant Purchasing Manager in 1994.

She was appointed as General Manager of Berjaya Roasters (M) Sdn Bhd on 1 January 2011 and she currently oversees the Marketing, Product Development, Quality Assurance, Human Resources and Supply Chain departments.

HOW SENG HUAT (ANDY)

49 years of age, Malaysian, Male
Director of Real Estate & Operations
Berjaya Roasters (M) Sdn Bhd

Andy started his career with Starbucks as a Store Manager in 2000 and was promoted to Senior Store Development Manager. He has contributed significantly in store growth and expansion particularly with the Starbucks Drive-Thru and Reserve concept stores. Given his strong leadership skills and solid business acumen, he was promoted to his current role in early 2018. In his role, Andy oversees the Operations and Restaurant Development Department in Kenny Rogers Roasters.

Andy graduated from McDonalds Hamburger University in 1996 and is a graduate of Inaugural Berjaya Advance Leadership programme 2013. He has over 20 years of experience in the QSR and Café Industry.

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.

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 June 2020.

FINANCIAL RESULTS

For this financial year, BFood registered a revenue of RM632.94 million and a pre-tax loss RM8.48 million respectively. For the 14-month financial period ended 30 June 2019, the Group reported a revenue of RM788.98 million and a pre-tax profit of RM46.56 million.

The Group's revenue and results for the financial year under review were adversely impacted by the COVID-19 pandemic and the Movement Control Order ("MCO"), which came into effect on 18 March 2020. This was followed by the Conditional Movement Control Order ("CMCO") from 12 May 2020 till 9 June 2020.

BFood experienced a significant reduction in sales and recorded negative same-store-sales growth during this period as the Group was restricted from operating at its full capacity.

The Group's results during the financial year under review were also impacted by the adoption of the Malaysian Financial Reporting Standards 16 ("MFRS 16"). The Group would have reported a pre-tax profit of RM880,000 if the total lease rental were accounted for under the previous MFRS 117 accounting standard.

DIVIDEND

For the financial year ended 30 June 2020, the Group declared and paid a total dividend of 2.0 cents single-tier dividend per share (4.0 cents single-tier dividend per share for the previous financial period ended 30 June 2019).

The total dividend paid was approximately RM7.10 million for the financial year ended 30 June 2020.

FUTURE PROSPECTS

Malaysia's economy shrank by 8.3% in the first half of 2020, reflecting the negative impact of the COVID-19 pandemic, both globally and domestically. The unprecedented lockdown measures which resulted in the closure of the Group's business outlets has adversely impacted the Group's operating results.

The Government's liquidity support (bantuan prihatin) were of great assistance and the group managed to retain most of its workforce during the pandemic. With the workforce still intact, going forward the Group will continue to leverage on the strength of Starbucks' brand name and expand the business through new store openings in strategic locations.

Seoul Sedap Chikin Soup Meal, Jollibean Soy Pudding and Beancurd Brown Sugar

CHAIRMAN'S STATEMENT

Starbucks Sandakan Drive-Thru. The first Drive-Thru store in Sabah

Other brands such as Jollibean Foods will also open more Joybean outlets in Malaysia. With its recently acquired halal certification, we expect the Jollibean Foods to contribute even more in future.

The Group has also invested in Sala KL which is a popular local plant-based restaurant. With the growing interest in vegetarian alternatives and plant based foods the Group believes that demand and interest will continue to accelerate. BFood will continue to expand Sala KL in Malaysia and beyond.

Operating in a highly competitive and evolving industry, the respective brands will continue offering more appealing and enticing menu items, and introducing attractive seasonal promotions to attract new customers.

The brands will continue to invest in the digital platforms to interact with its customers and build a stronger base, especially with the younger generation. Enhancing customer engagements and strengthening brand affiliations will become a key component of our digital initiatives. The respective brands will also continue to drive its online delivery business through partnerships with leading food delivery companies.

We will also offer more exciting rewards and value-for-money promotions through their loyalty programmes. With these measures in place, the Directors are cautiously optimistic that the operating results of the Group will improve in the next financial year ending 30 June 2021.

APPRECIATION

On behalf of the Board, I would like to extend our heartfelt gratitude to all our loyal customers and business partners for their continuous support and confidence in the Group.

Our sincere appreciation to our management and employees for their hard work and dedication especially during these challenging times.

To my fellow colleagues on the Board, thank you for your support and commitment throughout the year. The next year will probably prove more difficult but I have confidence that by working together , we will navigate this uncertain environment.

Dato' Tunku Shazuddin Bin Tunku Sallehuddin
Chairman
7 October 2020

The opening of Starbucks Reserve Gurney Plaza in Penang with Starbucks employees and BFood CEO Sydney Quays

> "The Directors are cautiously optimistic that the operating results of the Group will be satisfactory in the ensuing financial year ending 30 June 2021"

Starbucks Malaysia's Signing Store Starbucks Card

MANAGEMENT DISCUSSION & ANALYSIS

BERJAYA STARBUCKS COFFEE COMPANY SDN BHD

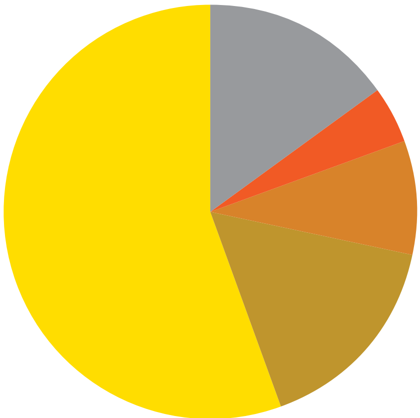
OVERVIEW

Berjaya Starbucks Coffee Company Sdn. Bhd. ("BStarbucks") was incorporated in Malaysia on 7 May 1998 under the name of Berjaya Coffee Company (M) Sdn. Bhd. and assumed its present name on 16 September 2004.

BStarbucks is a wholly-owned subsidiary of Berjaya Food Berhad ("BFood"). The nature of BStarbucks's business is to sell high-quality whole bean coffees, along with freshly brewed coffees, Italian-style espresso beverages, cold blended beverages, a variety of pastries and confectionery, coffee-related equipment and accessories, and a selection of premium teas, among others.

The first Starbucks retail store in Malaysia was opened in Fahrenheit 88, Kuala Lumpur (previously known as KL Plaza) on 17 December 1998. As at 30 June 2020, BStarbucks has 316 stores located throughout Malaysia, except in the state of Perlis.

STORE LOCATION BY REGION



TOTAL: 316 Stores

- Southern 48
  - Malacca,9
  - Seremban,5
  - Johor, 34
- East Coast 14
  - Pahang, 11
  - Terengganu, 1
  - Kelantan,2
- East Malaysia 28
  - Sabah, 14
  - Sarawak, 14
- Northern 51
  - Penang, 30
  - Kedah, 9
  - Perak,12
- Central 175
  - Kuala Lumpur, 83
  - Selangor, 92

DURING THE YEAR UNDER REVIEW, BSTARBUCKS WON THE FOLLOWING AWARDS:

1. **2019** Malaysian e-Payments Excellence Awards – Top MyDebit Merchant
2. **2019** AMCHAM Cares – Recognition Achievement Award (Excellence in Corporate Social Responsibility)
3. **2019** GrabFood Eater Awards – Eater's Choice
4. **2019** Malaysia Airports Concessionaire Awards – Best Retailer Category
5. **2019** Malaysia Airports Concessionaire Awards – Best Product Category
6. **2019** Putra Brand Awards – Most Preferred Brand, Restaurant & Fast Food Category – Silver

REVENUE

For the financial year ended 30 June 2020, BStarbucks registered a revenue of RM533.2 million compared to RM650.2 million in the previous financial period mainly due to the negative impact of the COVID-19 pandemic.

During the financial year under review, BStarbucks' stores increased to 316 from 291 stores in the previous financial period.

The new store openings included two Starbucks Reserve Stores – Starbucks Reserve Gurney Plaza and Starbucks Reserve Bukit Bintang Junction, which also marked BStarbucks' 300th Store milestone in Malaysia. BStarbucks opened its first Signing Store in Penang (second Signing Store in Malaysia) – Starbucks Signing Store Burmah Road in November 2019. Starbucks also expanded its business into the state of Terengganu in March 2020 with the opening of Starbucks KTCC Mall (Kuala Terengganu City Centre). The number of drive-thru stores increased from 46 stores in the previous financial period to 52 stores for the financial year ended 30 June 2020.

MANAGEMENT DISCUSSION & ANALYSIS

Opening of the second Starbucks Signing Store in Malaysia at Burmah Road, Penang

"BStarbucks marked another milestone with the opening of its second Starbucks Signing Store in Burmah Road, Penang on 19 November 2019 which will be dedicated to offering employment and development opportunities for the Deaf community in the state"

The Starbucks Card Programme - Starbucks Rewards (SR) – registered a tender rate of 49%, contributing a total of RM296.4 million for the financial year ended 30 June 2020. During the year, SR Malaysia featured the limited edition Gawai Kaamatan Starbucks Card, Malaysia National Day Starbucks Card, and Malaysia D'wali Starbucks Card. BStarbucks also introduced the market specific Malaysia Signing Store Starbucks Card and also the Lunar New Year Starbucks Card. BStarbucks was also the first to launch the Constellation Card and Tag Series in the region.

As at 30 June 2020, there were more than 3.3 million (30 June 2019: 2.8 million) registered SR members and a total of 12 million (30 June 2019: 10 million) Starbucks Card in active circulation nationwide.

PROFIT BEFORE TAX

BStarbucks recorded a profit before tax of RM21.3 million compared to RM70.0 million in the previous financial period mainly due to the negative impact arising from the COVID-19 pandemic, as well as the effect from the adoption of MFRS 16.

PROFIT AFTER TAX

BStarbucks registered a lower profit after tax of RM9.2 million for the financial year ended 30 June 2020 compared to RM47.0 million in the previous financial period.

FUTURE PROSPECTS

In the financial year 2021, BStarbucks plans to open 18 new stores with one additional Reserve Drive-Thru concept store. BStarbucks will continue to focus on unique and elevated store designs with relevant local elements for its new stores to create affinity and strengthen its brand presence.

In addition, BStarbucks will continue to introduce innovative food and beverage offerings that resonate with its customers' tastes and expectations of Starbucks as a premium coffee company.

BStarbucks will also continue to promote the Starbucks Rewards loyalty programme to drive customers' loyalty and frequency, offering more card designs and attractive benefits.

BStarbucks will also leverage on digital innovations as well as strengthen its IT capabilities and improve its Customer Relationship Management system to provide more efficiency and cater for future growth.

As part of its commitment towards empowering Malaysian communities, BStarbucks will continue to obtain raw materials from local communities to develop food products and merchandise for sale in Starbucks' stores.

MANAGEMENT DISCUSSION & ANALYSIS

BERJAYA FOOD SUPREME SDN BHD

OVERVIEW

Berjaya Food Supreme Sdn Bhd ("BFS") was incorporated in Brunei on 24 September 2013. It is 80% owned by Berjaya Food (International) Sdn Bhd and is principally engaged in the operation of Starbucks retail stores in Brunei.

The first Starbucks retail store in Brunei was opened in Mabohai Shopping Complex on 16 February 2014. As at 30 June 2020, BFS has 4 Starbucks stores including one drive-thru concept store.

REVENUE

For the financial year ended 30 June 2020, BFS recorded a revenue of B$2.0 million compared to B$2.4 million in the financial period ended 30 June 2019, mainly due to the negative business impact from the global COVID-19 pandemic.

LOSS BEFORE TAX

For the financial year ended 30 June 2020, BFS recorded a loss before tax of B$124,000 compared to the loss before tax of B$94,000 in the previous financial period.

LOSS AFTER TAX

BFS recorded a net loss after tax of B$61,000 for financial year ended 30 June 2020 compared to the net loss after tax of B$122,000 in the previous financial period.

FUTURE PROSPECTS

BFS will continue to effectively manage its operational and administrative procedures to reduce operating and administrative costs. In addition, the company will continue to offer innovative food, beverage and merchandise products to maintain its brand name as one of the leading coffee retail chains in Brunei.

Starbucks Brunei employees demonstrating the pour-over brewing method

BERJAYA FOOD TRADING SDN BHD

OVERVIEW

Berjaya Food Trading Sdn Bhd ("BFT"), a wholly-owned subsidiary of BFood, was incorporated in Malaysia on 24 July 2013.

The company is in the business of distributing premium Consumer Packaged Goods ("CPG") such as the Starbucks' bottled beverages and Joybean's premium soy milk to all major retailers in Malaysia such as 7-Eleven, AEON, AEON Big, Cold Storage, Village Grocer, Jaya Grocer and petrol marts.

As at 30 June 2020, BFT has more than 3,500 distribution outlets across Malaysia.

Joybean Assorted Soymilk bottled beverages

REVENUE

For the financial year ended 30 June 2020, BFT recorded a revenue of RM4.3 million compared to RM7.2 million in the previous financial period mainly due to slow sales during the MCO, which came into effect on 18 March 2020, followed by the CMCO from 12 May 2020 until 9 June 2020.

LOSS BEFORE TAX

For the financial year ended 30 June 2020, BFT recorded a loss before tax of RM1.4 million compared to a profit before tax of RM340,000 in the previous financial period. This is mainly due to high stock expiry and return, especially during the MCO period.

LOSS AFTER TAX

BFT registered a loss after tax of RM1.0 million for the financial year ended 30 June 2020 compared to a profit after tax of RM211,000 in the previous financial period.

FUTURE PROSPECTS

BFT is planning to relaunch its Starbucks Bottled Frappuccino with more visibility to gain awareness and induce more consumer purchase. Starbucks Doubleshot range of products will also have a facelift and reformulation to enhance the taste profile. Also, in the pipeline is a series of new product launches that will be organised every 6 months to continuously excite the market.

BFT will continue to expand its distribution points for the Joybean bottled beverages not only within Malaysia, but also in Myanmar, Vietnam and other South East Asian countries. BFT will continue to develop BFood-owned brands into CPGs such as Joybean Potato Chips and leverage on its existing distribution channels and resources for marketing and selling. This will not only help to increase sales but also maximise cost efficiency and ultimately create a strong brand presence for BFood brands.

Starbucks Premium Signature Chocolate and Starbucks Doubleshot™ Espresso in exciting flavours

BERJAYA ROASTERS (M) SDN BHD

OVERVIEW

Berjaya Roasters (M) Sdn Bhd ("BRoasters") is a wholly-owned subsidiary of BFood and the master franchisee of restaurant chain, Kenny Rogers ROASTERS ("KRR") in Malaysia. It offers a mid-casual dining setting with rotisserie-roasted chicken as its main core item complemented by a variety of hot and cold side dishes, Kenny's famous home-made muffins, soups, desserts and beverages served in a friendly and comfortable environment.

KRR consistently finds ways to make its menu offerings more exciting and appealing to its customers as well as to attract new customers. During the financial year under review, KRR launched four limited time offers, namely i-Yam Legend (Tom Yam Chicken), Egg-citing Giler (Salted Egg Chicken), Chikin Craze (Korean Fried Chicken) and Garlic Butter Chicken. KRR also introduced a different menu with quick bite items such as Golden Nuggets served with KRR signature cheese sauce or black pepper sauce, Potatoes Wedges, Chicken Cheesy Macaroni Bowls served with KRR rotisserie-roasted chicken chunks & signature cheese sauce, and Beef Bolognaise Macaroni Bowl to cater to the different guests' taste profiles.

KRR has been aggressively working on increasing its online delivery market share through innovative marketing strategies and strengthening partner relationships. KRR frequently co-funded collaboration offers to drive order volume and increase brand exposure.

REVENUE

For the financial year ended 30 June 2020, BRoasters recorded a lower revenue of RM68.7 million compared to RM96.7 million in the previous financial period. During the financial year under review, BRoasters opened 7 new stores and closed 14 non-performing stores.

LOSS BEFORE TAX

For the financial year ended 30 June 2020, BRoasters recorded a loss before tax of RM12.2 million as compared to a loss before tax of RM7.0 million in the previous financial period mainly due to the outbreak of the COVID-19 pandemic and the imposition of the Movement Control Order ("MCO") which resulted in the closure of dine-in facilities at KRR restaurants.

FUTURE PROSPECTS

In line with the new norm and e-commerce phenomenon, BRoasters is working on various online shopping initiatives to drive sales. In addition, BRoasters is offering more e-wallet options as a contactless payment mode for customers while working on collaborative marketing programmes with prominent e-wallet providers to build brand exposure and drive footfall to its restaurants. BRoasters will continue to drive its online delivery business through partnerships with leading food delivery companies.

Eggstra-Sedap Salted Egg Ayam Goreng Meal

Kenny Rogers ROASTERS Express Caltex Putrajaya

JOLLIBEAN FOODS PTE LTD

Jollibean's Peanut Mee Chiang Kueh (Pancake)

OVERVIEW

Jollibean Foods Pte Ltd ("Jollibean Foods") is a subsidiary of Berjaya Food Berhad ("BFood"). The company holds the sole and exclusive worldwide rights to develop, franchise, operate and manage all outlets, stalls, kiosks and holds the distribution rights for the products under the brand names of "Jollibean", "Sushi Deli", "Kopi Alley" and "Kopi Alley Plus" in Singapore, and "Joybean" in Malaysia.

The "Jollibean" brand has become a household name since its inception in 1995. It all started with the philosophy of bringing back the nostalgic childhood memories of Singaporeans by providing nutritious and healthy traditional snacks suitable for all ages. As at 30 June 2020, Jollibean Foods operates 33 outlets under the 4 brands in Singapore and 5 outlets in Malaysia.

REVENUE

For the financial year ended 30 June 2020, Jollibean Foods recorded a revenue of SGD 7.2 million compared to SGD 9.5 million in the financial period ended 30 Jun 2019, mainly due to the impact of the COVID-19 pandemic.

LOSS BEFORE TAX

For the financial year ended 30 June 2020, Jollibean Foods recorded a loss before tax of SGD 814,000 compared to SGD 750,000 in the previous financial period due to the adoption of MFRS 16 and the impact of COVID-19 pandemic.

LOSS AFTER TAX

For the financial year ended 30 June 2020, Jollibean Foods recorded a loss after tax of SGD 814,000 compared to SGD 750,000 in the previous financial period.

FUTURE PROSPECTS

Moving into the financial year 2021, Jollibean Foods will focus on store expansion and targets to open 5 new stores during the financial year.

Jollibean Foods will focus on increasing sales revenue through the launch of new products such as the Ban Heang range of products and YouTiao Chips.

The company will be changing some of its existing outlets in Singapore to the "Joybean" brand, with halal certification to make it more accessible for the Muslim community. To capitalise on the popularity of online and e-commerce channels, the company will attract and engage with its customers via social media and other digital platforms, as well as collaboration with online food delivery companies to offer greater convenience and access to its product offerings. The company will also form partnerships with leading e-wallet companies such as FavePay and GrabPay to offer cashless payments.

Jollibean Foods plans to expand its business by entering into schools. In addition, Jollibean Foods will also introduce a Loyalty Programme to retain existing customers.

GROUP FINANCIAL SUMMARY

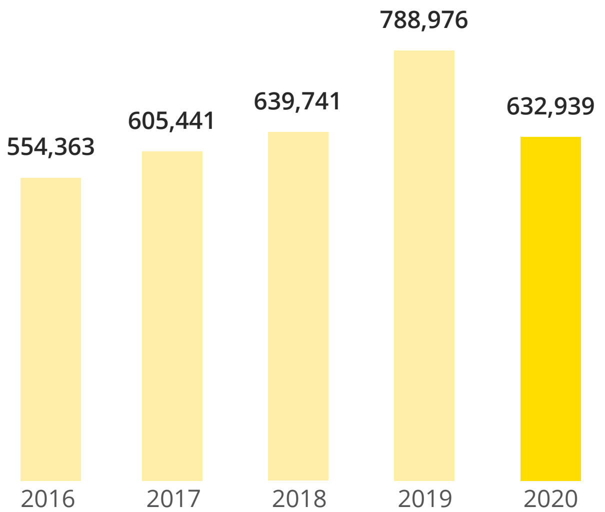
Description	2020 USD'000	2020 RM'000	2019 RM'000	2018 RM'000	2017 RM'000	2016 RM'000
Revenue	147,762	632,939	788,976	639,741	605,441	554,363
(Loss)/Profit Before Tax	(1,979)	(8,479)	46,563	19,197	24,319	35,615
(Loss)/Profit After Tax	(4,689)	(20,086)	24,178	218	6,332	17,542
(Loss)/Profit Attributable To Shareholders	(4,571)	(19,582)	24,376	1,175	11,435	21,290
Share Capital	56,948	243,938	243,742	243,232	240,617	189,144
Reserves	30,619	131,158	157,314	150,274	159,634	210,359
Equity Funds	**87,567**	**375,096**	**401,056**	**393,506**	**400,251**	**399,503**
Treasury Shares	(9,839)	(42,145)	(35,730)	(7,687)	(8,334)	-
Net Equity Funds	**77,728**	**332,951**	**365,326**	**385,819**	**391,917**	**399,503**
Non-controlling Interests	83	357	1,218	1,370	(17,587)	(11,000)
Total Equity	**77,811**	**333,308**	**366,544**	**387,189**	**374,330**	**388,503**
Long Term Liabilities	100,508	430,524	140,110	150,218	136,711	177,606
Current Liabilities	108,621	465,280	350,196	276,256	279,198	180,545
Total Equity and Liabilities	**286,940**	**1,229,112**	**856,850**	**813,663**	**790,239**	**746,654**
Property, Plant & Equipment	66,779	286,046	275,456	234,083	216,955	173,625
Right-of-use assets	82,086	351,615	-	-	-	-
Intangible Assets	106,980	458,257	459,631	457,106	454,734	451,652
Other Non-Current Assets	7,011	30,030	30,844	28,133	28,744	25,556
Current Assets	24,084	103,164	90,919	94,341	89,806	95,821
Total Assets	**286,940**	**1,229,112**	**856,850**	**813,663**	**790,239**	**746,654**
Net Assets Per Share (US$/RM)	0.22	0.94	1.02	1.02	1.05	1.06
Net (Loss)/Earnings Per Share (Cents/Sen)	(1.28)	(5.50)	6.64	0.31	3.05	5.66
Dividend Per Share (Cents/Sen)	0.47	2.00	4.00	4.00	3.50	4.25
Total Net Dividend Amount (USD'000/RM'000)	1,657	7,096	14,482	15,061	13,095	16,011

Notes:
Figures for 2016-2018 are for 12 months ended 30 April, 2019 are for 14 months ended 30 June 2019, and 2020 are 12 months ended 30 June 2020. Where additional shares are issued, the (loss)/earnings per share is calculated based on a weighted average number of shares with voting rights in issue.

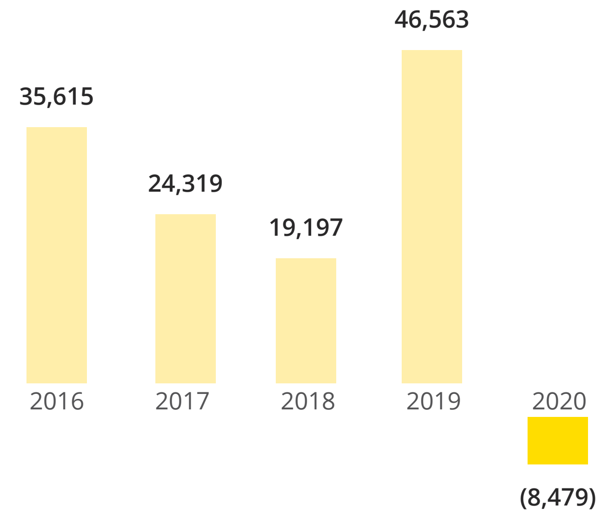
Exchange rate: US$1.00=RM4.2835

GROUP FINANCIAL HIGHLIGHTS

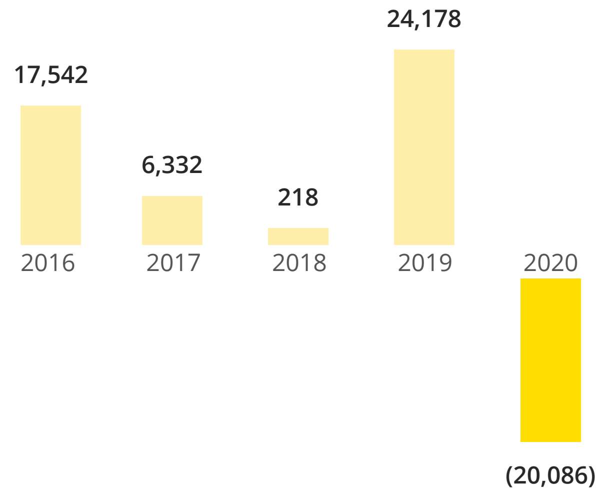
REVENUE (RM'000)



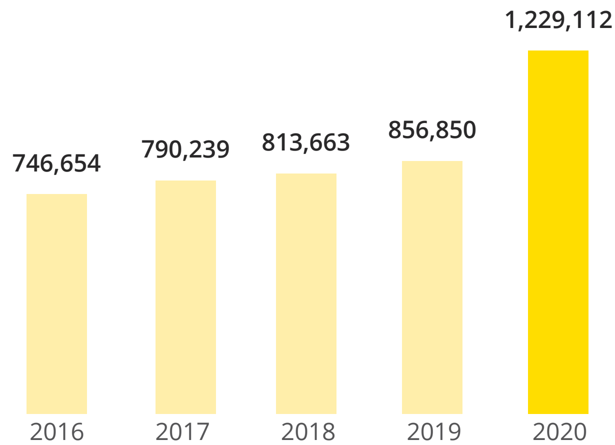
(LOSS)/PROFIT BEFORE TAX (RM'000)



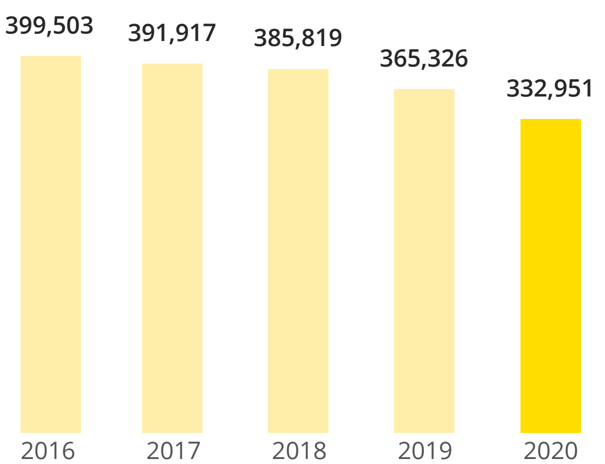
(LOSS)/PROFIT FOR THE YEAR/PERIOD (RM'000)



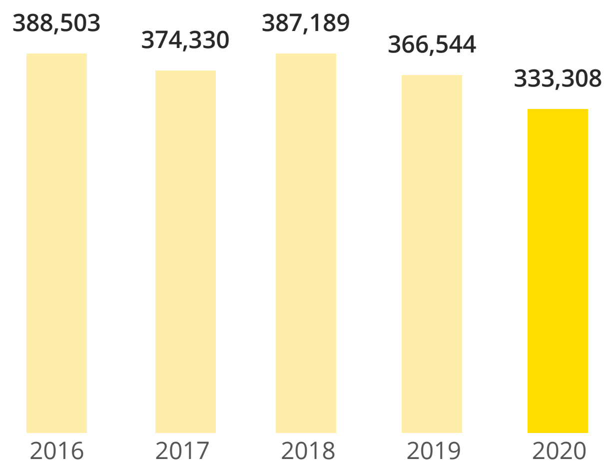
TOTAL ASSETS (RM'000)



NET EQUITY FUNDS (RM'000)



TOTAL EQUITY (RM'000)



CORPORATE STRUCTURE

OF OPERATING COMPANIES AS AT 1 OCTOBER 2020

BERJAYA

BERJAYA FOOD BERHAD

[Registration No. 200901032946 (876057-U)]

- **100%** Berjaya Starbucks Coffee Company Sdn Bhd
- **100%** Berjaya Roasters (M) Sdn Bhd
- **100%** Berjaya Food (International) Sdn Bhd
  - **80%** Berjaya Food Supreme Sdn Bhd
  - **65%** Jollibean Foods Pte Ltd
    - **100%** Berjaya Jollibean (M) Sdn Bhd
  - **50%** Ser Vegano Sdn Bhd
- **100%** Berjaya Food Trading Sdn Bhd

SUSTAINABILITY STATEMENT

1. REPORTING PROFILE AND SCOPE

The Sustainability Statement for Berjaya Food Berhad ("BFood") is prepared in accordance with the Sustainability Reporting Guide from Bursa Malaysia Securities Berhad ("Bursa Malaysia") which highlights the Group's commitment to undertake business responsibly and sustainably. The information in this section focuses on the operations and management of the economic, environmental and social sustainability of BFood for the financial year ended 30 June 2020. The Sustainability Statement covers material issues arising from its principal subsidiary in Malaysia, Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") and other business activities in Malaysia and Singapore operated by Berjaya Food Trading Sdn Bhd ("BFT"), Berjaya Roasters (M) Sdn Bhd ("BRoasters") and Jollibean Foods Pte Ltd (Jollibean Foods"). It does not include the environmental and social responsibility aspects of the other business operations in Brunei.

BFood recognises the challenges of its operating environment, as well as the expectations of its various stakeholders and is committed to evolving and developing a sustainable business that has positive impacts on the community, economy and environment. The information and data disclosed in this statement were derived from internal reporting processes, systems and records. The structure and write-up of this statement are guided by Bursa Malaysia's Sustainability Reporting Guide and Toolkits.

The limited edition Starbucks x Royal Selangor collaboration launched in December 2019

2. APPROACH TO SUSTAINABILITY

The COVID-19 pandemic has brought about significant disruptions affecting almost all sectors of economies across the globe. The various lockdown measures implemented by governments around the world to contain the spread have led to various levels of business suspension.

With the emergence of the COVID-19 pandemic, sustainability issues are gaining more importance in the decision making of the various stakeholder groups. During this challenging period of uncertainties, the Group has faced disruptive changes to its business operations with significant impacts across the three main aspects of the Group's sustainability pillars – economic, environmental and social. Nevertheless, the respective brands under the Group were able to operate during the various lockdown periods, albeit at a lower capacity. Although several key activities planned for the year were halted during this period, the Group has nevertheless implemented stringent hygiene standards and operational procedures as mandated by the local government authorities to ensure business continuity in the new normal and to safeguard the well-being of its employees and the various stakeholder groups.

The Group strives to support economic growth that benefits every level of society while minimising any adverse environmental and social impacts arising from its daily business operations guided by a long-term strategy comprising 3 main aspects:-

ECONOMIC SUSTAINABILITY

Creation of long-term value for shareholders and value add for all the Group's stakeholders.

ENVIRONMENTAL SUSTAINABILITY

Striving towards reducing the Group's environmental footprint by improving the efficiency of resources, reducing the waste produced from business and supporting conservation efforts.

SOCIAL SUSTAINABILITY

Dealing with customers and the public according to good market practices and regulatory requirements, conducive workplace practices and community engagement through a variety of initiatives.

3. STAKEHOLDER ENGAGEMENT

The Group believes that the approach of stakeholder engagement is integral to the development of its sustainability strategy. The engagement activities with the different stakeholder groups are conducted on an ongoing basis. The Group's key stakeholders and engagement platforms are as listed below:-

Stakeholder Groups	Engagement Platforms
Government and Regulators	• Ongoing meetings and interactions with the regulators on policy matters, issues and concerns arising from the changing operating environment as well as matters concerning the customers and the general public.
Customers	• Continuous efforts to serve customers better using various channels for feedback and through initiatives that reflect the Group's values.
Employees	• Internal engagement channels. • Training and development programmes. • Open communication through Town Hall sessions.
Contractors / Consultants/ Suppliers	• Tendering and procurement process. • Regular meetings with suppliers to give and receive feedback on improving ways of working together.
Media	• Regular engagement and updates with the mainstream media. • Media releases relating to key business development as well as corporate social responsibility ("CSR") activities.
Communities, Non-Governmental Organizations, peer companies, industry groups	• Consultation with NGOs, peer companies, and industry groups for their expert opinion on corporate responsibility areas relevant to the business. • Volunteering opportunities and charitable events.
Shareholders / Investors	• Communications via announcements to Bursa Securities, General Meetings, the Company's website as well as conducting briefings and updates for analysts, fund managers and potential investors as and when required.

4. MATERIALITY ASSESSMENT

Determining materiality assists the Group to identify and prioritise the most relevant and important material issues across the business units and focus its efforts on charting the direction in improving the Group's sustainability endeavours. Material matters are defined as elements that are expected to have a significant effect on and are related to the Group's stakeholders.

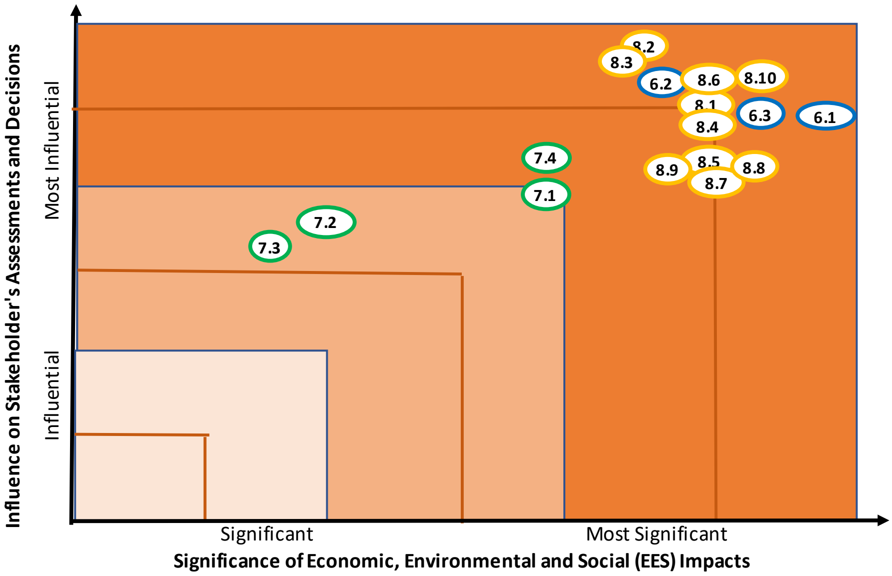
This materiality assessment is essential to the Group's approach to sustainability as it serves as a guide in identifying the material issues that are of greatest concern to the Group and its stakeholders. The materiality assessment was conducted by engaging relevant stakeholders through various channels which resulted in the identification of 17 material issues which have significant impacts on the sustainability of the Group's businesses. The 17 material issues identified were mapped to the relevant sustainability pillars as illustrated on pages 023 to 029.

3 SUSTAINABILITY PILLARS

ECONOMIC	ENVIRONMENTAL	SOCIAL
6.1 Financial Performance	7.1 Waste Management	8.1 Product and Service Compliance
6.2 Procurement	7.2 Energy	8.2 Consumer Health and Safety Ethics
6.3 Indirect Economic Impact	7.3 Paper Usage	8.3 Integrated Marketing Communication
	7.4 Water Conservation	8.4 Good Governance
		8.5 Employee Health and Safety
		8.6 Labour Practices
		8.7 Employee Engagement, Feedback & Grievance Management
		8.8 Education & Training
		8.9 Employees' Benefits & Welfare
		8.10 Community Investment and Support

BFOOD'S MATERIALITY MATRIX

The Materiality Matrix displays the position of the 17 material issues relative to the degree of importance to the Group's business operations and its stakeholders. The Group strives to review the Materiality Matrix on an annual basis.



5. SUSTAINABILITY GOVERNANCE

The Sustainability Working Committee oversees the overall planning and implementation of sustainability practices and policies continuously and systematically. The Board and management are committed to continually refining and improving these processes over time. Going forward, the Group strives to further improve its monitoring process on the implementation of its internal control measures and sustainability initiatives.

The financial figures in this Sustainability Statement have been externally verified. For more detailed information on the Group's Statement on Corporate Governance and Statement on Risk Management and Internal Control, please refer to pages 030 to 048 of the BFood Annual Report 2020.

Sustainability Governance Structure

Support & Approve	Board of Directors CEO
Evaluate & Guide	Sustainability Committee
Harmonize & Standardize	Head of SWG
Plan & Strategize	Sustainability Working Group ("SWG")
Manage & Control	Material Entity Sustainability Officer ("MESO")
Implement EES	Operating Entities (Operations & Marketing/Human Resources/Finance/Information Technology/Others)

Note: EES denotes Economic, Environmental and Social

6. ECONOMIC SUSTAINABILITY

i. Financial Performance

Revenue
RM633 million
(FPE 2019- RM789 million)

(Loss)/Profit Before Tax
Loss Before Tax RM8.5 million
(FPE 2019- Profit Before Tax RM46.6 million)

(Loss)/Return on Equity
Loss on Equity 5.9%
(FPE 2019- Return on Equity 5.7%)

Dividend Distribution
RM7.1 million
(FPE 2019- RM14.5 million)

For more information about the Group's financial performance, please refer to the Group Financial Summary and Highlights on pages 017 and 018 of the BFood Annual Report 2020.

ii. Procurement

BFood strives to create a positive impact by supporting the procurement of products and services from locally established business entities to spur the country's economy. Procurement is conducted through the evaluation of tenders in terms of pricing, credibility and other related matters such as compliance to labour law, Good Manufacturing Practice ("GMP"), Hazard Analysis and Critical Control Points ("HACCP") requirements.

BFood ensures that its food products and services adhere to the "Halal" requirements from JAKIM. Suppliers are required to self-declare and provide updated certification. Compliance audits are conducted regularly to ensure suppliers comply with the local regulatory hygiene practices.

iii. Indirect Economic Impact

Since 2018, BStarbucks has been supporting Silent Teddies Bakery through the purchase of Starbucks Jumbo Chocolate Chip Cookies and retailing them in all Starbucks stores across Malaysia. The Starbucks Jumbo Chocolate Chip Cookies are preservative-free and freshly made with love by the Silent Teddies Bakery. For every cookie purchased by Starbucks customers, RM1 will be donated to the Silent Teddies Bakery. From August 2018 till 31 December 2020, BStarbucks has raised approximately RM30,000 for the Silent Teddies Bakery to support the Community Service Centre for the Deaf ("CSCD") programmes and its school for Deaf children. The Silent Teddies Bakery is an initiative by CSCD to equip Deaf youths with entrepreneurial skills that will enable them to be independent.

During the financial year under review, BStarbucks continued to partner with the Young Women's Christian Association (YWCA), Kuala Lumpur to upcycle its Flavorlock Coffee Bags into pouches. This partnership aims to close the loop on BFood's business by upcycling the used Starbucks Flavorlock Coffee Bags into pouches, which will be retailed at all Starbucks stores in the next financial year. During the financial year under review, a monthly volunteering programme was conducted for Starbucks employees and customers to learn the process of preparing the pouches before sewing. The programme was temporarily halted due to the COVID-19 pandemic.

7. ENVIRONMENTAL DIMENSION

BFood strives to reduce its environmental footprint and meet the expectations of its customers by increasing recycling, promoting reusable cups and containers, and reducing waste associated with its cups and other packaging materials.

BStarbucks employees volunteering at YWCA

i. Waste Management

BStarbucks nurtured personal relationships and built a global network of support to create a new way to produce coffee: one that is sustainable, transparent and good for people and the planet. As the threat of climate change has increased, BStarbucks has been working to help coffee farms adapt and find innovative solutions in building and operating its stores, while reducing wastes such as cups, straws, and lids from its business and minimising the environmental impact.

BStarbucks has a "Bring Your Own Tumbler" programme which rewards its customers with a RM2 discount when they bring their personal Starbucks tumbler to purchase handcrafted beverages of their choice at all Starbucks stores. During the financial year under review, 617,700 customers brought their own Starbucks tumblers when purchasing their beverages.

BStarbucks is committed to significantly reducing and diverting the waste generated by its stores in various ways, including recycling. The Grounds for Your Garden Programme provides complimentary 1kg bags of soil-enriching used coffee grounds for customers to take home for their gardens. The coffee grounds make an excellent garden fertilizer and provide much-needed nutrients to the soil. For the financial year ended 30 June 2020, 93% of Starbucks stores diverted 180,086kg of used coffee grounds from the landfill.

Under BStarbucks' upcycling campaign, customers are encouraged to drop off their used Flavorlock Coffee Bags at Starbucks stores from 1 May 2019 onwards. For every used Starbucks Flavorlock Coffee Bag donated, customers are entitled to a 10% discount when they purchase any Starbucks Whole Bean coffee.

BStarbucks continues to explore ways to manage its wastages and reduce its environmental pollution when building Starbucks stores by collaborating with landlords to build stores using prefabrication methods.

Kenny Rogers ROASTERS i.Care Box in various colours

In an effort to reduce waste and single-use plastic from disposable packaging, BRoasters introduced the i.care Box and i.care Bag. The reusable 'i.care' range is also designed to support healthy eating habits through portion control guidance. BRoasters also incentivises customers to purchase its reusable meal boxes with a special discount. During the financial year ended 30 June 2020, a total of 3,340 customers purchased the KRR i.Care Box.

BRoasters has implemented upon-request straws and converted plastic takeaway containers to paper containers for all its outlets.

ii. Energy

BFood strives towards a more efficient sustainable management strategy in the use of its resources which includes energy to reduce its carbon footprint.

During the financial year ended 30 June 2020:-

- 70% of BStarbucks stores have switched to LED lightings.
- 20% of BStarbucks stores have switched to Inverter Air-Conditioners.

Non-essential lights were turned off for Earth Hour at BStarbucks stores across Malaysia

To raise awareness on reducing the consumption of electricity, BStarbucks stores nationwide have been celebrating Earth Hour over the past 12 years and encouraging customers to switch off non-essential lights.

BRoasters is in the process of switching to LED lights during the refurbishment process of all of its KRR restaurants. As at 30 June 2020, 12 KRR restaurants have replaced its lights with LED lighting. This has contributed to electricity savings and subsequently, better environmental quality.

iii. Paper Usage

BStarbucks introduced non-woven gift bags in November 2017 to reduce the consumption of the Starbucks Shopper Paper Bags when customers purchase Starbucks merchandise. During the financial year under review, BStarbucks reduced the consumption of paper bags by 21% compared to 13.6% in the previous financial period. BRoasters and Jollibean Foods have replaced the use of plastic bags with biodegradable bags for takeaways.

Going forward, BStarbucks is planning to run a pilot project at 5 Drive-Thru stores using digitalized screens and menu boards to reduce the usage of printed marketing and promotion collaterals.

vi. Water Conservation

Water is a key ingredient in BFood beverages and a necessity for operating its stores. Some water saving initiatives implemented include the auto close water faucets to reduce water usage. BFood continues to look for innovative ways to minimise water usage in its stores such as exploring the reintroduction of rainwater harvesting systems for garden watering purposes in its stand-alone and Drive-Thru Starbucks stores.

8. SOCIAL DIMENSION

BFood acknowledges the importance of social sustainability by putting in place various practices that encompass matters relating to product and service compliance, information security and privacy, responsible marketing and communication practices, public policy and social integration and community development, among others.

i. Product and Service Compliance

BFood's Customer Service Commitment is to make each customer feel special by empowering the service staff to 'own' the customer's experience. To ensure the products and services offered by BStarbucks, BRoasters and Jollibean Foods meet consistent standards, random surveys are conducted with customers for their feedback concerning their experience in visiting the stores and their rating on the quality of food and beverages.

ii. Consumer Health and Safety Ethics

BFood is committed to prioritising its customers' and employees' safety and health. In light of the outbreak of the COVID-19 pandemic, a special task force was set up to manage matters related to COVID-19 with internal and external parties. During the MCO, BFood undertook various measures to ensure the safety and wellbeing of its employees and customers, such as regular cleaning and sanitising of its stores and appliances, and observing the standard operating procedures by the National Security Council.

BStarbucks, BRoasters and BFT all participated in Halfest 2019

BFood ensures that its food and beverage offerings are safe for consumption and adhere to laws, regulations and best practices such as:-

- Halal requirements by JAKIM (Starbucks and KRR are Halal-certified, Jollibean Foods is in the process of obtaining halal certification in Malaysia);
- Quality Assurance Standards Audit ("QASA");
- Good Catering Practice ("GCP") audits;
- Supplier Audits are based on Global Food Safety Initiative ("GFSI") standards; and
- Supplier Base Management ("SBM") risk assessment based on the four risk categories: Product Risk, Supplier Risk, Business Risk and Brand Risk.

BFood also supported several events such as Selangor International Business Summit 2019, Halal Fiesta Malaysia and the Halal Fun Run.

To ensure all products are labelled with the correct expiry date and do not contain any impurities, Jollibean Foods uses only Grade A, Non-Genetically Modified Organisms, Single Variety Identity-Preserved Canadian Soy Beans as these were made of all-natural soya bean crops which have lower environmental and health impact compared to those of Genetically Modified soya beans. Jollibean Foods also sends its products for laboratory tests to determine shelf life, and all displayed products are labelled with the correct shelf life dates to ensure customers' safety and wellbeing.

iii. Integrated Marketing Communication

The respective brands under the Group communicate their promotional campaigns through various social media and traditional media platforms as well as in-store materials to create awareness and provide information on the latest promotional offers. BStarbucks reaches out to its 1.5 million registered customers via Electronic Direct Mail ("EDM"). BStarbucks also provides product information through the Starbucks Mobile Application which has garnered 927,000 downloads to-date (incremental of 327,000 from last year). BFT collaborates with various e-commerce platforms, vendors, convenience stores and supermarket retailers to market BFT's products.

The respective BFood brands have wide customer engagement channels, encouraging their customers to provide positive or constructive feedback through their respective social media pages, via email, or directly to their restaurant staff to assist with customer enquiries and provide assistance where required.

iv. Good Governance

BFood publishes the policies and procedures listed below on its website.

- Adequate Procedures to Curb and Prevent Bribery and Corruption – T.R.U.S.T. Concept;
- Employees' Code of Conduct and Ethics;
- Sustainability Practices & Policy; and
- Whistleblowing Policy & Procedures.

v. Employee Health and Safety

During the financial year under review, BFood organised various activities to keep its employees active, increase health awareness and better management of health behaviour. The following activities were conducted for BFood's head office employees:

- Mini health fair to promote better living
- Subsidised gym rates at the Sports Toto Fitness Centre
- Weekly fitness classes and badminton sessions
- Employee engagement activities such as coffee knowledge online quizzes, virtual coffee tasting sessions, board game nights, and others

vi. Labour Practices

BFood seeks to inspire and nurture the human spirit, understanding that each person brings distinct life experiences to the table. BFood employees are diverse not only in gender, race, ethnicity, disability, religion and age but also in cultural backgrounds, life experiences, thoughts and ideas.

BFood offers career opportunities for students from different disciplines through its Internship Programme and non-retail internship placements within the Group. The Group also employs a total of 79 senior citizens and 23 persons with disabilities.

Starbucks Malaysia & Brunei Barista Championship 2019/2020

vii. Employee Engagement

BFood organises various engagement activities for its employees such as company trips and annual dinners to enhance teamwork and boost productivity as well as to show appreciation for their commitment and contributions to the Company.

During the financial year under review, BStarbucks engaged with its employees through activities such as:-

- Townhall meeting
- Quarterly internal newsletter - SCOOP
- Asia-Pacific and China Coffee Connection
- Corporate visits
- Store Manager Leadership Conference

During the financial year under review, 500 Coffee Masters participated in the Starbucks Barista Championship, a yearly event that provides an exciting platform where Starbucks Coffee Masters from all over Malaysia and Brunei come together and showcase their coffee knowledge, skills and passion for coffee.

viii. Education and Training

BFood's employee development programmes provide learning opportunities that maximise the potential of its employees to meet its business needs and contribute to the success of the Company. During the financial year under review, BFood invested 129,625 hours in training and development (149,513 hours in the last financial period). BStarbucks provides its employees with a learning and development platform, conducted by internal and external parties, to develop employees' capabilities and skills. To adapt to the new normal and comply with the physical distancing requirements, all training workshops have been conducted online.

Starbucks' Coffee Master Programme aimed at deepening the employee's knowledge about coffee and elevating the coffee experience for BStarbucks customers. Coffee Masters inspire fellow team members to seek more knowledge, make perfect handcrafted beverages and help customers find the right coffee. There are currently 1,548 BStarbucks employees who have been successfully certified as Coffee Masters. The Coffee team also hosts online coffee quizzes for Coffee Masters to stay updated and inspire partners who plan to take up the certification.

As part of its commitment to developing its employees' capabilities and skills, BRoasters leverages on three aspects of the business, namely relating to the consistent delivery of products and services and the effectiveness of training. These initiatives are aimed at enhancing both technical and soft skills, increasing job competencies and creating sustainable transferability of skills and knowledge among KRR team members.

ix. Employees' Benefits and Welfare

BFood attracts, develops and retains the best people in the Group, in line with its expectations of creating a high performance and motivated culture. The Group's employee benefits and welfare are constantly enhanced through periodic surveys on best market practices.

During the financial year under review, BStarbucks and BFT revised its flexi benefits to cover optical, dental, full-body medical checkup and chiropractic treatment for employees and their immediate family members.

x. Community Investment and Support

BFood is committed to strengthening the communities in which it operates. To this end, BFood encourages its employees to participate in activities that are relevant and impactful to their communities.

CONTRIBUTIONS TO COVID-19 FRONTLINERS

Working in collaboration with the Ministry of Health, BStarbucks provided more than 1,000 cups of coffee to the COVID-19 frontline workers in hospitals, police stations, screening centres and NGOs over the course of two weeks. These include:-

- Pejabat Perubatan Universiti Malaya
- Klinik Kesihatan Bangi
- Klinik Kesihatan Kajang
- Pejabat Kesihatan Titiwangsa

BStarbucks employees giving out coffee to the frontliners at the Lembah Pantai district health office

- Jabatan Kesihatan Wilayah Persekutuan KL & Putrajaya
- Pejabat Kesihatan Lembah Pantai
- Polis Diraja Malaysia HQ (Bukit Aman)
- Penang State COVID-19 Task Force
- YWCA

BRoasters also delivered 1,500 sets of wholesome Kenny's Quarter Meals to the medical frontliners of Sungai Buloh Hospital, and collaborated with Mamee Double-Decker Sdn Bhd, contributing RM5,000 worth of meals to Pusat Kesihatan Lembah Pantai Kuala Lumpur and other NGOs.

BStarbucks donating coffee to the YWCA team

BStarbucks and HOPE Worldwide donate kurma cookies to the B40 community for Ramadan

In conjunction with the Hari Raya festive season, BStarbucks supported HOPE Worldwide Malaysia's Ceria Beraya Bersama HOPE programme by donating 375 boxes of Chewy Kurma Cookies for 200 low-income families. BStarbucks also contributed 120 boxes of Chewy Kurma Cookies to the B40 community at PPR Lembah Pantai by collaborating with IPC Shopping Centre and The Lost Food Project (TLFP).

Global Month of Good

Due to the COVID-19 pandemic, several community service programmes including Starbucks' annual Global Month of Good programme were postponed or cancelled. As at 30 June 2020, BStarbucks contributed a total of 1,300 community service hours.

Starbucks Signing Store

BStarbucks' first Starbucks Signing Store celebrated its third anniversary in July 2019. The Starbucks Signing Store provides a platform and the opportunity for Deaf employees to have a meaningful career and attaining self-sufficiency. Deaf employees provide customers with a uniquely uplifting Starbucks Experience and the store celebrates the contributions of Deaf employees and raises awareness towards people with disabilities in the workplace.

In November 2019, BStarbucks collaborated with the Penang Deaf Association to open its first Signing Store in Penang, its second in Malaysia and fourth globally. The three-story, 4,600 sq. ft. store in Penang showcases how digital innovation enhances inclusive design. The touchpoints in the store have been modified to specifically meet the needs of the Deaf employees and customers. These include visual alarms, digital trays and point-of-sale systems with an attached customer display to ensure a safe and conducive environment. The store design celebrates the Deaf culture with a mural wall created by local Penang Deaf artist, Lim Anuar.

BStarbucks and Deaf employees commemorate the Signing Store's 3rd Anniversary

BStarbucks employees at the Penang Grand Parade in conjunction with the launch of 'Experience Penang 2020'

In January 2020, the Signing Store team from Burmah Road and the Deaf employees from the Penang Island district also participated in the Penang Grand Parade in conjunction with the launch of the Experience Penang 2020. The event was officiated by the Penang Chief Minister, YB Chow Kon Yeow and witnessed by the EXCO Tourism, YB Yeoh Soon Hin and EXCO Kebajikan Masyarakat Penyayang, YB Phee Boon Poh.

Since the opening of the first Signing Store in Kuala Lumpur in 2016, Starbucks has expanded this unique store model globally, including in Washington D.C. in US, Guangzhou in China and Tokyo, Japan.

To-date, BStarbucks has successfully certified 8 Deaf employees as Coffee Master and promoted 2 Deaf employees as Shift Managers. As at 30 June 2020, BStarbucks employed 16 Deaf employees at its Signing Stores.

Zero Hunger Programme

In October 2019, BStarbucks collaborated with its suppliers and Berjaya University College to raise awareness on food wastage through a fundraising buffet luncheon. All proceeds raised were contributed to the Food Aid Foundation and HOPE Worldwide Malaysia. Apart from that, a donation drive was held to collect essential items for 15 poor families in Sentul in conjunction with the Deepavali celebration.

BStarbucks and Berjaya University collaborated on the Zero Hunger programme

HOPE Worldwide Malaysia's Good Earth Run 2019

In November 2019, BStarbucks supported the Good Earth Run 2019 organised by HOPE Worldwide Malaysia to raise RM50,000 for its community programmes for the underprivileged community in Malaysia. The fun run was based on the theme of 3Rs– Recycle, Regenerate and Refuse to promote a sustainable living environment.

Starbucks Chill Patrol Van and BStarbucks employees at the HOPE Worldwide Malaysia's Good Earth Run 2019

Starbucks Holiday Caroling Tour

In December 2019, BStarbucks engaged 4 NGOs to tour 50 selected stores across Malaysia to spread joy and cheer through the Starbucks Holiday Caroling Tour.

BStarbucks and HOPE Worldwide spreading joy and cheer during the Holiday Caroling Tour

KRR Community Chest Programme

Under the KRR Community Chest Programme, BRoasters continues to contribute to the communities in which it operates through its annual campaigns such as the KRR Wishing Tree and festive visits to homes and shelters.

In continuing the tradition of fulfilling the wishes of underprivileged children, BRoasters visited the Fugee School as part of its annual Wishing Tree campaign. The visit included fun activities, gifts presentation and wholesome meals for 155 children. The programme has fulfilled 2,003 wishes from 46 NGOs as at 31 December 2019. Since its inception, the KRR Community Chest Wishing Tree initiative has fulfilled more than 20,000 simple yet meaningful wishes.

In January 2020, BRoasters organised a Chinese New Year celebration for 23 senior citizens from Siri Jayanti Metta Care Centre. They were given red packets, mandarin oranges and KRR goodie bags consisting of balanced and wholesome food. The senior citizens and caretakers were also served Kenny's Quarter Lite Meals.

BRoasters team celebrating CNY with senior citizens from Siri Jayanti Metta Care Centre

9. CONCLUSION

BFood endeavours to support economic growth that benefits every level of society, while minimizing the adverse environmental and social impacts arising from its daily business operations guided by its long-term strategy for Economic, Environmental, and Social Sustainability.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Berjaya Food Berhad ("the Company") recognises the importance of corporate governance towards promoting business growth, increasing financial strength and well-being and corporate accountability to protect and enhance shareholders' value as well as the interest of the Company.

The Board is committed in ensuring that the Company and its subsidiaries (collectively "the Group") carries out its business operations within the required standards of corporate governance as set out in the Malaysian Code on Corporate Governance ("MCCG").

The Board is pleased to provide an overview of the corporate governance ("CG") practices, which made reference to the three (3) key CG principles as set out in the MCCG throughout the financial year ended 30 June 2020 ("FYE 2020"), which are as follows:-

(a) Principle A : Board Leadership and Effectiveness;
(b) Principle B : Effective Audit and Risk Management; and
(c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CG Overview Statement, approved by the Board, shall be read together with the CG Report 2020 ("CG Report") of the Company which is available on website of Bursa Malaysia Securities Berhad ("Bursa Securities") at www.bursamalaysia.com.

The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG and any departures thereof during the FYE 2020. The Board is satisfied that the Company has substantially complied with the MCCG throughout the FYE 2020 save for the exceptions which are fully described in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is responsible for the performance and affairs of the Group and to provide leadership and guidance for setting strategic direction for the Group. The roles and responsibilities of the Board in discharging its fiduciary and leadership function has been formalised in the Board Charter.

Chairman and Chief Executive Officer ("CEO")

The Board is led by the Chairman, Dato' Tunku Shazuddin Bin Tunku Sallehuddin, an Independent Non-Executive Director of the Company. The Chairman is responsible to ensure that he will preside at all Board Meetings and general meetings of the Company. The Chairman always ensured that procedural rules are followed in the conduct of meetings and that decisions made are formally recorded and adopted.

The Board has delegated the day-to-day affairs of the Group's business to the CEO of the Company, Mr Sydney Lawrance Quays. The CEO holds the primary executive responsibility for the Group's business performance and to manage the Group in accordance with the strategies and policies approved by the Board. The CEO will focus on the business and 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 may delegate appropriate functions to any member of the Senior Management reporting to the CEO.

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 quarterly Board Meetings.

Separation of Positions of the Chairman and CEO

The Chairman and the CEO are held by two different individuals. The distinct and separate roles of the Chairman and CEO with clear division of responsibilities have ensured the balance of the power and authority and that no one has unfettered control of the Board. The roles and responsibilities of the Chairman and CEO have been formalised in the Board Charter of the Company.

Non-Executive Directors

The 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 business strategy of the Group and to make insightful contribution during the Board's deliberation. They also assist and ensure the Board adopts a good CG practice within the Group.

The presence of three (3) Independent Non-Executive Directors is sufficient to provide the required checks and balances on the decision making process of the Board. The Independent Non-Executive Directors are 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 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 two (2) Non-Independent Non-Executive Directors on the Board 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.

Board Committee

The Board has established the following Board Committees which consist of a majority of Non-Executive Directors to support the Board in discharging its oversight function and to ensure that there are appropriate checks and balances in place:-

(i) Audit and Risk Management Committee;
(ii) Nomination Committee;
(iii) Remuneration Committee;
(iv) Employees' Share Scheme Committee; and
(v) Sustainability Committee.

Each of the Board Committee operates within its respective terms of reference ("TOR") that also clearly define its respective functions and authorities. The TOR of the respective Board Committees are periodically reviewed by the Board Committee and approved by the Board to ensure that the TOR remains relevant and adequate in governing the responsibilities of the Committees and to reflect the latest developments in the Main Market Listing Requirements of Bursa Securities and the MCCG. These Board Committees have the authority to report to the Board with their recommendations. However, the ultimate responsibility for the final decision on all matters still lies with the Board.

Company Secretary

The Board is supported by the Company Secretaries, who are members of the professional body namely, Malaysian Institute of Chartered Secretaries and Administrators and they are also qualified under the Companies Act 2016. The Company Secretaries play an important role in facilitating the overall compliance with the Companies Act 2016, the Main Market Listing Requirements of Bursa Securities and other relevant laws and regulations. The Company Secretaries also assist the Board and Board Committees to function effectively and in accordance with their respective TOR and best practices and ensuring adherence to the existing Board policies and procedures. The roles and responsibilities of the Company Secretaries have been formalised in the Board Charter which provides reference for Company Secretaries in the discharge of their duties.

The Company Secretaries have also been continuously attending the necessary training programmes, conferences, seminars, webinars and/or forums so as to keep themselves abreast with the current regulatory changes in laws and regulatory requirements that are relevant to their profession and enabling them to provide the necessary advisory role to the Board.

Board Meeting and Meeting Materials

In order to discharge their responsibilities effectively, the Board meets regularly on a quarterly basis. Additional or special Board Meetings may be convened as and when necessary to consider and deliberate on any urgent proposals or matters under their purview and which requires the Board's expeditious review or consideration. Such meetings will enable the Board members to effectively assess the viability of the business and corporate proposals and the principal risks that may have significant impact on the Group's business or on its financial position and the mitigating factors. All Board approvals sought are supported with all the relevant information and explanations required for an informed decision to be made.

Prior to the Board Meeting, the Directors will be provided with the relevant agenda and Board papers five (5) business days' notice 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 provide, among others, the minutes of preceding meetings of the Board and Committees, summary of dealings in shares by the directors or affected persons and directors' circular resolutions, reports on the Group's financial statements, operations, any relevant corporate developments and proposals.

In addition, there is a schedule of matters reserved for Board's deliberations and decision, including among others, to review, evaluate, adopt and approve the policies and strategic plans for the Company and the Group. The Board will ensure that the strategic plans of the Company and the Group supports long term value creation, including strategies on economic, environmental and social considerations underpinning sustainability as well as to review, evaluate and approve any material acquisitions and disposals of undertakings and assets in the Group and any new major ventures.

Access to information and advice

The Directors shall have unrestricted access to the advice and services of the Company Secretaries and Senior Management staff in the Group to assist them in carrying out their duties. They may also obtain independent professional advice at the Company's expense in furtherance of their duties whenever the need arises.

Board Charter, Ethical Standards through Code of Ethics, Code of Conduct, Whistleblowing Policy and Procedures and T.R.U.S.T Concept

The Board has the following in place:-

(a) 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 periodically to ensure that it remains consistent with the Board's roles and responsibilities as well as the prevailing legislation and practices. A copy of Board Charter is available on the Company's website at www.berjaya.com/berjaya-food/.

(b) Code of Ethics for Director

The Board has also 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.

(c) Code of Conduct and Business Ethics

The Group has established and adopted a Code of Conduct covering business ethics, workplace safety and employees' personal conduct for all employees of the Company and all of its subsidiaries and associates. This is to ensure that all employees and Directors maintain and enforce the highest standards of ethics and professional conduct in the performance of their duties and responsibilities throughout the organisation.

All employees and Directors of the Company are required to declare that they have received, read and understood the provisions of the Code of Conduct and agreed to comply with its terms throughout their employment or tenure with the Company.

The Board will periodically review the Code of Conduct. The Code of Conduct is available on the Company's website at www.berjaya.com/berjaya-food/.

(d) Whistleblowing Policy and Procedures

The Group acknowledges the importance of lawful and ethical behaviours in all its business activities and is committed to adhere to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs in its workplace.

The Group has in place a Whistleblowing Policy and Procedures which provides an avenue for employees, the Group's third party service providers, independent contractors, vendors and suppliers and members of the public to raise genuine concerns and to disclose alleged, suspected or actual wrongdoings or known improper conduct on a confidential basis, without fear of any form of victimisation, harassment, retribution or retaliation.

The Whistleblowing Policy and Procedures was recently reviewed, updated and approved by the Board on 11 August 2020 so as to enhance the reporting procedures to safeguard against the acts of bribery and corruption pursuant to Section 17A of Malaysian Anti-Corruption Commission Act 2009. The revised and updated Whistleblowing Policy and Procedures, underlining its protection and reporting channels, is available on the Company's website at www.berjaya.com/berjaya-food/.

(e) T.R.U.S.T Concept
- Adequate Procedures to curb and prevent bribery and corruption

The Board has adopted a T.R.U.S.T Concept on 11 August 2020 which form the ethos and philosophy of the top management in respect of the Group's fight against bribery and corruption in all its business dealings, transactions and such other related activities.

The T.R.U.S.T Concept was formulated to set out the guidelines on adequate procedures to curb and prevent bribery and corruption and the procedures are guided by the following five principles:-

Principle I : **T**op Level Commitment;
Principle II : **R**isk Management Assessment;
Principle III : **U**ndertake Control Measures;
Principle IV : **S**ystematic Review, Monitoring and Enforcement; and
Principle V : **T**raining and Communication.

(Collectively known as T.R.U.S.T Concept)

The establishment of this T.R.U.S.T Concept demonstrates the Group's zero-tolerance approach against all forms of bribery and corruption in its daily operations and the Group takes a strong stance against such acts. The Group will take all reasonable and appropriate measures to ensure that all its directors and employees are committed to act professionally and with integrity in all their business dealings and not participate in any corrupt activities for its advantage or benefit.

The T.R.U.S.T Concept can be accessed on the Company's website at www.berjaya.com/berjaya-food/.

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 long term sustainability 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 Sustainability Statement in this Annual Report.

Board Composition

The Board currently has six (6) members comprising three (3) Independent Non-Executive Directors (including the Chairman), the CEO and two (2) Non-Independent Non-Executive Directors. The profiles of the Directors are set out in pages 005 to 007 of this Annual Report.

The present composition of the Board is in compliance with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities which requires at least one third (1/3) of its members to be Independent Directors. The Board composition is also in compliance with the Practice 4.1 of the MCCG which requires at least half of the Board members to be Independent Directors.

The Board composition of the Company represents a mix of knowledge, skills, and expertise which assist the Board in effectively discharging its stewardship and responsibilities.

The Board is satisfied that the current size and composition of the Board is considered adequate to provide an optimum mix of skills and experience.

Boardroom Diversity

The Board acknowledges the importance of boardroom diversity in terms of age, gender, nationality, ethnicity and recognises the benefits of this diversity.

The Board also recognises that having a range of different skills, backgrounds, experience and diversity is essential to ensure a broad range of viewpoints to facilitate optimal decision making and effective governance.

The Board is of the view that whilst promoting boardroom diversity is essential, the normal selection criteria of a Director, based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board, should remain a priority. The Board will continuously strive to meet the targets for gender diversity requirement and will actively take the necessary measures towards promoting a corporate culture that embraces gender diversity in the Boardroom.

The Company takes diversity not only in the Boardroom but also in the workplace as it is an essential measure of good governance, critically attributing to a well-functioning organisation and sustainable development of the Company.

The Company is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board.

Currently, the Board has two (2) female Directors namely, Datuk Zainun Aishah Binti Ahmad and Ms Chryseis Tan Sheik Ling and they represent about 33% of the full Board of six (6) members. They are part of the Board's gender diversity and have brought value to Board discussions from different perspectives and approaches.

The Board Diversity Policy of the Company is available on the Company's website at www.berjaya.com/berjaya-food/.

Time Commitment

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 FYE 2020, the Board met five (5) times and the attendances of the Directors at the Board Meetings were as follows:-

Directors	Attendance
Dato' Tunku Shazuddin Bin Tunku Sallehuddin#	5/5
Sydney Lawrance Quays	5/5
Tan Thiam Chai	5/5
Datuk Zainun Aishah Binti Ahmad#	5/5
Dato' Mustapha Bin Abd Hamid#	5/5
Chryseis Tan Sheik Ling	4/5

Note:
 # Independent Non-Executive Director

All the Directors of the Company do not hold more than five (5) directorships in listed issuers as required under Paragraph 15.06 of the Main Market Listing Requirements of Bursa Securities. 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, seminars, conferences, forums and/or webinars so as to keep abreast with the current developments in the various industries as well as the current changes in laws and regulatory requirements.

The Board is also updated by the Company Secretaries on the relevant training programmes relating to the regulatory, governance, industry related and current issue on an on-going basis.

During the FYE 30 June 2020, the training programmes, seminars, conferences and webinars attended by the Directors were as follows:-

Directors	Training Programmes/ Seminars/ Conferences/ Forum/ Webinars
Dato' Tunku Shazuddin Bin Tunku Sallehuddin	- Force Majeure & Covid-19- How are contractual relationships affected and managed - Virtual Board Meetings: In an era of social distancing boards
Sydney Lawrance Quays	- Bursa Advocacy of Diversity-Demystifying the Diversity Conundrum: The Road to Business Excellence - Malaysian Anti-Corruption Commission Act Section 17A: Are you ready to comply?
Tan Thiam Chai	- New Malaysia's 1st Anniversary: How 9 May 2018 Changed Our Legal Landscape - Lee Hishammuddin Allen & Gledhill Tax, Sales & Service Tax & Customs Seminar 2019 - Workshop on Corporate Liability Provision (Section 17A) of the Malaysian Anti-Corruption Commission Act 2009 - Shared Prosperity - Companies (Amendment) Act 2019 - The New Corporate Liability Offence for Corruption under the Malaysian Anti-Corruption Commission Act
Chryseis Tan Sheik Ling	- Virtual Board Meetings: In an era of social distancing boards
Datuk Zainun Aishah Binti Ahmad	- Bursa Thought Leadership: The Convergence of Digitisation and Sustainability - Group-Wide Training Programme for Board members and Senior Management Team - Workshop on Corporate Liability Provision (Section 17A) of the Malaysian Anti-Corruption Commission Act 2009 - Audit Oversight Board Conversation with Audit Committees - Emerging Risks and Future Board - The future of Annual General Meeting Fully Virtual/ Hybrid Annual General Meetings - Business Disruptions Priorities for Board

Directors	Training Programmes/ Seminars/ Conferences/ Forum/ Webinars
Dato' Mustapha Bin Abd Hamid	- Financing The Sustainable Development Goals: Malaysian Private Sector Role In Bridging The Gap From Goals to Actions - Audit Oversight Board – Annual Inspection Report Findings and Insights - Malaysian Anti-Corruption Commission Act Section 17A: Are you ready to comply?

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.

Appointment to the Board

The members of the Nomination Committee, which comprises exclusively Non-Executive Directors with a majority of them being Independent Directors as at the date of this Statement are as follows:-

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

Note:
Subsequent to the financial year ended 30 June 2020, Dato' Tunku Shazuddin Bin Tunku Sallehuddin was appointed as a member of the Nomination Committee on 11 August 2020.

The Chairman of the Nomination Committee, Datuk Zainun Aishah Binti Ahmad is an Independent Director and has been appointed as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed.

The composition, authority as well as the duties and responsibilities of the Nomination Committee are set out in its TOR, which is available on the Company's website at www.berjaya.com/berjaya-food/.

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, major shareholders and/or other consultants;

2. In evaluating the suitability of candidates for appointment 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 shall then 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.

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 issued by Bursa Securities. 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 and 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 FYE 2020, the Nomination Committee has carried out the following activities:-

(i) Reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board;
(ii) Reviewed and assessed the performance of each individual Director, independence of the Independent Directors, effectiveness of the Board and Board Committees;
(iii) Reviewed the performance of the Audit and Risk Management Committee and its members;
(iv) Reviewed the financial literacy assessment for each of the Audit and Risk Management Committee members;
(v) Recommended to the Board the re-election of Directors who are due for retirement by rotation for shareholders' approval at the forthcoming Annual General Meeting ("AGM"); and
(vi) Recommended to the Board the retention of Independent Directors for shareholders' approval at the forthcoming AGM.

Re-election of Directors

The Nomination Committee also conducted an assessment of the Directors who are subject to retirement at the forthcoming AGM in accordance with the provisions of the Constitution of the Company and the relevant provisions of the Companies Act 2016.

Clause 117 of the Company's Constitution provides that at least one-third (1/3) of the Directors shall retire by rotation and they are eligible to seek re-election at each AGM and that each Director shall submit himself/herself for re-election once every three (3) years. Clause 107 of the Company's Constitution also provides that a Director who is appointed during the year is required to retire and to seek shareholders' approval for re-election at the following AGM immediately after his/her appointment.

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

At the forthcoming Eleventh AGM, the Directors who will retire by rotation and eligible for re-election pursuant to Clause 117 of the Company's Constitution are as follows:-

Directors	Retiring pursuant to
(i) Sydney Lawrance Quays	Clause 117
(ii) Dato' Mustapha Bin Abd Hamid	Clause 117

Tenure of Independent Directors

The Company's Board Charter states that the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of twelve (12) years.

The MCCG recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Directors' re-designation as a Non-Independent Director. The MCCG also sets out a recommendation that the Board must justify and seek shareholders' approval in the event it retains an Independent Director who has served in that capacity for more than nine (9) years.

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/her responsibilities in the best interest of the Company should be the predominant factors to determine the ability of a Director to serve effectively as an Independent Director.

The Board is also confident that the Independent Directors themselves, after having provided all the relevant confirmations on their independence, will be able to determine if they can continue to bring independent and objective judgment during Board deliberations and decision making.

As at the FYE 30 June 2020, none of the tenure of Independent Directors has exceeded a cumulative term of nine (9) years except Datuk Zainun Aishah Binti Ahmad and Dato' Mustapha Bin Abd Hamid.

Datuk Zainun Aishah Binti Ahmad and Dato' Mustapha Bin Abd Hamid were appointed as the Independent Non-Executive Directors of the Company on 20 May 2010 and they have therefore served the Company as the Independent Directors for a cumulative term of more than nine (9) years.

The Nomination Committee (save for Datuk Zainun Aishah Binti Ahmad and Dato' Mustapha Bin Abd Hamid who will abstain from discussion of their own retention) has assessed the independence of Datuk Zainun Aishah Binti Ahmad and Dato' Mustapha Bin Abd Hamid for the FYE 30 June 2020 based on criteria set out in the Listing Requirements. The Nomination Committee concluded that Datuk Zainun Aishah Binti Ahmad and Dato' Mustapha Bin Abd Hamid have satisfied the independence criteria and each of them is able to provide independent judgment and act in the best interest of the Company.

Following the assessment and recommendation by the Nomination Committee, the Board (save for Datuk Zainun Aishah Binti Ahmad and Dato' Mustapha Bin Abd Hamid who will abstain from discussion of their own retention) concluded that pursuant to Practice 4.2 of the MCCG, the Board will seek approval from shareholders of the Company at the forthcoming AGM to support the Board's decision to retain Datuk Zainun Aishah Binti Ahmad and Dato' Mustapha Bin Abd Hamid as Independent Non-Executive Directors of the Company based on the following justifications:-

(a) Datuk Zainun Aishah Binti Ahmad

- (i) she has fulfilled the criteria under the definition of Independent Director as set out in the Main Market Listing Requirements of Bursa Securities, and being independent, she would be able to function as a check and balance and give an independent opinion to the Board;
- (ii) she has been with the Company for more than nine (9) years and was familiar with the food and beverage business and operations of the Company;
- (iii) she remains objective and independent in expressing her views and participating in deliberations and decision making process of the Board and Board Committees. The length of her services on the Board does not in any way interfere with her exercise of independent judgment and ability to act in good faith and in the best interests of the Company and shareholders; and
- (iv) she has brought gender diversity to the Board and has exercised due care during her tenure as an Independent Non-Executive Director as well as the Chairman of Audit and Risk Management Committee, Nomination Committee and Sustainability Committee and she has carried out her professional duties proficiently in the interests of the Company and the shareholders.

(b) Dato' Mustapha Bin Abd Hamid

(i) he has fulfilled the criteria under the definition of Independent Director as set out in the Main Market Listing Requirements of Bursa Securities, and being independent, he would be able to function as a check and balance and give an independent opinion to the Board;

(ii) he has been with the Company for more than nine (9) years and was familiar with the food and beverage business and operations of the Company;

(iii) he remains objective and independent in expressing his views and participating in deliberations and decision making process of the Board and Board Committees. The length of his services on the Board does not in any way interfere with his exercise of independent judgment and ability to act in good faith and in the best interests of the Company and shareholders; and

(iv) he has exercised due care during his tenure as an Independent Non-Executive Director as well as the Chairman of Remuneration Committee and he has carried out his professional duties proficiently in the interests of the Company and the shareholders.

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, has assessed the independence of its Independent Non-Executive Directors namely, Dato' Tunku Shazuddin Bin Tunku Sallehuddin, Datuk Zainun Aishah Binti Ahmad and Dato' Mustapha Bin Abd Hamid based on criteria set out in the Main Market Listing Requirements of Bursa Securities.

The Independent Directors of the Company have fulfilled the criteria of "independence" as prescribed under Chapter 1 of the Main Market Listing Requirements of Bursa Securities.

Remuneration Policies and Procedures

The members of the Remuneration Committee, which comprises exclusively Non-Executive Directors with a majority of them being Independent Directors as at the date of this Statement are as follows:-

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

Note:
* Subsequent to the financial year ended 30 June 2020, Dato' Tunku Shazuddin Bin Tunku Sallehuddin was appointed as a member of the Remuneration Committee on 11 August 2020.

The composition, authority as well as the duties and responsibilities of the Remuneration Committee are set out in its TOR which is available on the Company's website at www.berjaya.com/berjaya-food/.

The Board has adopted a Remuneration Policy to support the Directors and Key Senior Management in carrying out their 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, motivate, retain and reward Directors and Key Senior Management who will manage and drive the Company's success.

The Board has delegated to the Remuneration Committee to implement its Remuneration Policy. 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 Executive 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 remuneration of Key Senior Management is determined at a level which enables the Company to attract, develop and retain high performing and talented individual with the relevant experience, level of expertise and level of responsibilities.

Both the remuneration of Executive Directors and Key Senior Management are structured to link rewards to the achievement of individual and corporate performance.

The Remuneration Committee is also responsible to review the remuneration packages of the Non-Executive Directors of the Company and thereafter recommend to the Board for their consideration with the Director concerned abstaining from deliberations and voting on decision in respect of his/her individual remuneration package. The Board recommended that the level of remuneration should reflect the experience and the level of responsibilities undertaken by each Non-Executive Director. The Board will then recommend the yearly Directors' fees and other benefits payable to Non-Executive Directors to the shareholders for approval at the AGM in accordance with Section 230(1) of the Companies Act 2016.

The Board will periodically review the Remuneration Policy and a copy is available on the Company's website at www.berjaya.com/berjaya-food/.

Details of the Directors' remuneration paid or payable to all Directors of the Company (both the Company and the Group) and categorised into appropriate components for the FYE 2020 are as follows:-

(a) Individual Directors on a named basis

Company

	RM					
	Fees	**Salaries**	**Bonus**	**Benefits in-kind**	**Other Emoluments**	**Total**
Executive Director						
Sydney Lawrance Quays	-	127,519	33,000	-	20,196	180,715
Non-Executive Directors						
Dato' Tunku Shazuddin Bin Tunku Sallehuddin	60,000	-	-	-	348,223	408,223
Datuk Zainun Aishah Binti Ahmad	60,000	-	-	-	14,000	74,000
Dato' Mustapha Bin Abd Hamid	60,000	-	-	-	11,600	71,600
Tan Thiam Chai	-	-	-	-	-	-
Chryseis Tan Sheik Ling	-	-	-	-	-	-
	180,000	**127,519**	**33,000**	**-**	**394,019**	**734,538**

Group

	← RM →					
	Fees	**Salaries**	**Bonus**	**Benefits in-kind**	**Other Emoluments**	**Total**
Executive Director						
Sydney Lawrance Quays	-	1,249,560	300,000	11,182	188,743	1,749,485
Non-Executive Directors						
Dato' Tunku Shazuddin Bin Tunku Sallehuddin	60,000	-	-	-	348,223	408,223
Datuk Zainun Aishah Binti Ahmad	60,000	-	-	-	14,000	74,000
Dato' Mustapha Bin Abd Hamid	60,000	-	-	-	11,600	71,600
Tan Thiam Chai	-	-	-	-	-	-
Chryseis Tan Sheik Ling	-	-	-	-	-	-
	180,000	**1,249,560**	**300,000**	**11,182**	**562,566**	**2,303,308**

(b) The Remuneration of top five (5) Key Senior Management in bands of RM50,000 on an aggregate basis

The number of top five (5) Key Senior Management and their total remuneration from the Group categorised into the various bands are as follows:-

	Number of Key Senior Management
RM250,001 - RM300,000	2
RM300,001 - RM350,000	1
RM400,001 - RM450,000	1
RM450,001 - RM500,000	1
	5

Although the MCCG has stipulated that the Company should disclose the detailed remuneration of the top five (5) Key Senior Management on a named basis, the Board has opined that it is not in the best interest of the Company to make such disclosures on the remuneration of the Key Senior Management due to the sensitivity of their remuneration package, privacy and issue of staff poaching.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

The Audit Committee was renamed as the Audit and Risk Management Committee ("ARMC") with effect from 3 March 2011. As at the date of this Statement, the ARMC of the Company comprises four (4) members, all of whom are Non-Executive Directors with a majority of them being Independent Directors. The members are as follows:-

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

Note:
^ Subsequent to the financial year ended 30 June 2020, Dato' Tunku Shazuddin Bin Tunku Sallehuddin was appointed as a member of the ARMC on 11 August 2020.

The Chairman of the ARMC is appointed by the Board and is not the Chairman of the Board. The composition, authority as well as the duties and responsibilities of the ARMC are set out in its TOR and a copy is available on the Company's website at www.berjaya.com/berjaya-food/.

The members of the ARMC possess a mix of skill, knowledge and appropriate level of expertise and experience to enable them to discharge their duties and responsibilities pursuant to the TOR of the ARMC. In addition, the ARMC members are financially literate and are able to understand, analyse and challenge matters under purview of the ARMC including the financial reporting process.

The Board is responsible to ensure the annual financial statements are prepared in accordance with the provisions of the Companies Act 2016 and the applicable financial reporting standards in Malaysia. In presenting the annual financial statements and quarterly announcement of results, the Board seeks to provide shareholders with a clear, balanced and understandable assessment of the Group's financial position and prospects. The ARMC assists the Board to discharge its duties in financial reporting by ensuring the reliability and integrity of the Group's accounting and financial reporting process and to ensure the financial statements give a true and fair view in accordance with the provisions of the Companies Act 2016 and the applicable financial reporting standards in Malaysia. In addition, the ARMC reviews the annual financial statements and quarterly financial results before they are submitted to the Board for approval.

Besides overseeing the Group's accounting and financial reporting process, ARMC is also responsible to assist the Board to review the nature, scope and results of the external audit, its cost effectiveness and the independence and objectivity of the External Auditors, to oversee and monitor the Group internal audit functions, oversees recurrent related party transactions, risk management activities and other activities such as governance matters. The details on the activities of the ARMC are set out in the ARMC Report on pages 049 to 053 of this Annual Report.

The performance of the ARMC is reviewed annually by the Nomination Committee. Based on the evaluation, the Nomination Committee concluded that the ARMC has been effective in its performance and has carried out its duties in accordance with its TOR during the FYE 2020.

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 annual financial statements. In addition, the ARMC will also have private meetings with the External Auditors without the presence of the Chief Executive Officer and Senior Management to enable exchange of views on issues requiring attention.

The Board has delegated to the ARMC to perform an annual assessment on the quality of the audit which encompassed the performance and calibre of the External Auditors and their independence, objectivity and professionalism. The assessment process involves identifying the areas of assessment, setting the minimum standards and devising tools to obtain the relevant data. The areas of assessment include among others, the calibre of the audit firm, quality processes/ performance, audit team, independence and objectivity, audit scope and planning, audit communications and audit fees of the External Auditors. 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.

The ARMC has put in place an External Auditors Policy ("EA Policy") which outlines the policies and procedures for the ARMC to govern the assessment and to monitor the External Auditors. The EA Policy covers, among others, the appointment of External Auditors, assessment of External Auditors, independence of External Auditors, non-audit services including the need to obtain approvals from the Chief Financial Officer (if any)/ Executive Director/ Head of Group Accounts or the ARMC for non-audit work up to a certain threshold and the annual reporting and rotation of the External Audit Engagement Partner. In addition, the EA policy also included a requirement for a former audit partner to observe a cooling-off period for at least two (2) years before they can be considered for appointment as a member of the ARMC and/or the Board.

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 in 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 and the annual review of the Statement on Risk Management and Internal Control. The non-recurring non-audit service is technical advisory fees in preparation for adoption of new financial reporting standards.

During the FYE 30 June 2020, the amount of non-audit fees paid/payable to the External Auditors and its affiliates by the Company and the Group respectively for the FYE 2020 were as follows:-

	Company		**Group**	
	FYE2020	**FPE2019**	**FYE2020**	**FPE2019**
	RM	**RM**	**RM**	**RM**
Statutory audit fees paid/payable to:-				
- Ernst & Young ("EY") Malaysia	76,250	54,000	229,468	250,742
- Affiliates of EY Malaysia	-	-	17,853	18,060
Total (a)	76,250	54,000	247,321	268,802
Non-audit fees paid/payable to:-				
- EY Malaysia	62,380	43,922	92,348	75,422
- Affiliates of EY Malaysia	-	-	9,018	10,714
Total (b)	62,380	43,922	101,366	86,136
% of non-audit fees (b/a)	82%	81%	41%	32%

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.

Risk Management and Internal Control

The Board has delegated and entrusted the ARMC which comprises a majority of Independent Directors, with the overall responsibility to regularly review and monitor risk management activities of the Group and all internal controls and to approve appropriate risk management procedures and measurement methodologies.

The key aspects of the Risk Management process are as follows:-

(i) The business units are required to identify the risks relevant to their business.
(ii) 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.
(iii) The business units develop control procedures or actions plans to either prevent the occurrence or reduce the impact upon its occurrence.
(iv) The business units are required to update their risk profiles and review their processes in monitoring the risks periodically.
(v) 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.

The Company continues to maintain and review its risk management and 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 the Group's assets and the shareholders' investments.

The internal audit function of the Company is outsourced to the Group Internal Audit Division of the ultimate holding company, Berjaya Corporation Berhad and they are free from any relationships or conflict of interest that could impair their objectivity and independence. The Internal Auditors reports directly to the ARMC and carries out their internal audit based on the plan approved by the ARMC. The Internal Auditors assist the Board in providing independent assessment on the adequacy and effectiveness of the governance, risk management and internal control processes for the purposes of safeguarding the Group's assets and the shareholders' investments.

The Internal Auditors are responsible for preparing and tabling the Internal Audit Reports on a quarterly basis to the ARMC and to highlight areas for improvement for each of the operating units within the Group. The Internal Auditors will follow up closely on the areas highlighted to determine the extent of the implementation of their recommendation and to ensure that they are satisfactorily resolved by the Management.

The summary of the activities undertaken by the Internal Auditors during the FYE 2020 is set out in the ARMC Report.

The details of the risk management and system of internal control of the Company are set out in the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Company recognises the importance of being transparent and accountable to its shareholders and has used various channels of communications to enable the Board and Management to continuously communicate, disclose and disseminate comprehensive and timely information to investors, shareholders, financial community and the public generally. However, whilst the Company endeavours to provide as much information as possible to its shareholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

The various channels of communications with stakeholders are through the following:-

(i) the quarterly announcements on financial results and other periodical or relevant announcement to Bursa Securities;
(ii) circulars and annual reports;
(iii) general meetings of shareholders;
(iv) meetings with investors, analysts and fund managers and briefings where appropriate; and
(v) the Company's website at www.berjaya.com/berjaya-food/ where shareholders can have easy access to the Company's corporate information such as the Board Charter, TOR of the Board Committees, Company Policies, press releases, financial information, Company announcements and others.

The above channels of communication will help to enhance stakeholders' understanding of the business and operations of the Group and to make informed investment decisions.

Conduct of General Meetings

The Company fully recognises the rights of the shareholders and importance of shareholders' participation at the Company's general meetings and encourages them to exercise their rights at such meetings. The AGM of the Company remains the principal forum for dialogue with shareholders where they may seek clarifications on issues pertaining to the Annual Report, audited financial statements and businesses of the Group.

The Company despatches its notice of meeting at least twenty-eight (28) days before the AGM together with a copy of the Annual Report and an Administrative Details to the shareholders of the Company to enable them to have sufficient time to consider the resolution that will be discussed at the AGM as well as to make the necessary arrangement to attend and participate personally at the AGM or through proxy or corporate representative. Each item of special business included in the Notice of AGM is accompanied by a brief explanatory statement on the proposed resolution to facilitate a better understanding and evaluation of issues involved.

At the Tenth AGM of the Company held on 5 December 2019, all the Directors, Board Committees, Company Secretaries, Senior Management team of the Group and the External Auditors were in attendance at the AGM to engage directly with the shareholders and to provide adequate response and answers to the queries raised by the shareholders.

During the AGM, the Chairman will ensure the orderly conduct of the meeting. The General Manager of Group Accounts and Budgets will present a financial overview of the Group's performance for the financial year to the shareholders. The shareholders or proxies are also invited to raise questions pertaining to the agenda and resolutions tabled and/or 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 in connection with the Audited Financial Statements. The interested Directors and persons connected to them will declare their interests and will abstain from deliberation and voting on the resolution that they have interest in respect of their direct and/or indirect shareholdings.

Poll Voting

All the resolutions passed by the shareholders at the previous AGM held on 5 December 2019 were voted by way of a poll in accordance with the Paragraph 8.29A (1) of the Main Market Listing Requirements of Bursa Securities. The shareholders were briefed on the voting procedures by the Share Registrar namely, Berjaya Registration Services Sdn Bhd while the results of the poll were verified and announced by the independent scrutineer, Messrs LT Lim & Associates.

The Company Secretaries will announce the poll results of the AGM with details on the number of votes cast for and against for each resolution and the respective percentage on the same day to Bursa Securities. The minutes of the AGM will be made available on the Company's website after it has been confirmed and signed by the Chairman of the AGM.

Leverage Technology for Remote Participation and Voting by Shareholders

In view of the Covid-19 pandemic and as part of the Company's precautionary measures and initiative, the forthcoming AGM of the Company will be held on a fully virtual basis through live streaming from the broadcast venue and online remote voting using the Remote Participation and Voting facilities ("RPV Facilities") provided by the Poll Administrator of the Company, SS E Solutions Sdn Bhd via Securities Services ePortal's platform at https://sshsb.net.my/. This allows shareholders to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM of the Company via RPV Facilities.

Going forward, the Company may consider leveraging on the use of technology to facilitate voting in absentia and/or remote shareholders participation at general meetings, taking into consideration the number of shareholders, applicable laws and regulations and the cost and resources required vis-à-vis the benefits.

This CG Overview Statement was approved by the Board of the Company on 7 October 2020.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") of Berjaya Food Berhad ('BFood' or 'the Group') is committed to maintaining a sound system of risk management and internal controls to provide for a platform for Group's business objectives to be achieved. The Board sets out below the nature and scope of the risk management and internal controls of the Group.

RESPONSIBILITY

The Board of BFood recognises that the Board is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. The Board's responsibility in relation to the system of internal control extends to all subsidiaries of the Group.

The Group's system of internal control is designed to manage the principal business risks that may impede the Group from achieving its business objectives. Due to the limitations that are inherent in any system of internal control, the Group's internal control system cannot completely eliminate the risk of failure to achieve its business objectives. The system can only provide reasonable assurance against material misstatement or loss.

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 ("CEO") that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

MANAGEMENT STYLE AND CONTROL CONSCIOUSNESS

The Group is involved in various food related businesses. These business interests are operated by the subsidiaries of the Group. Management of the day-to-day affairs of the Group's various subsidiaries are assigned to local management who are accountable for the conduct and performance of their subsidiaries within agreed business strategies. The CEO attends various scheduled management meetings as well as conducting regular reviews of financial and operational reports. These provide the platform for timely identification of the Group's risks and development of systems to manage those risks. The CEO regularly updates the Boards on any significant matters.

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.

ASSURANCE MECHANISM

The Board has assigned the ARMC with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control. The internal auditors furnish the ARMC with reports from visits conducted at various subsidiaries, as well as from the external auditors on areas for improvement identified during the course of their statutory audit.

The Board also reviews the minutes of the meetings of the ARMC. The Report of the ARMC is set out on pages 049 to 053 of the Annual Report.

KEY FEATURES OF THE INTERNAL CONTROL SYSTEM

The Group has an extensive system of internal control that enables the management to ensure that established policies, guidelines and procedures are followed and complied with. Some key features of BFood's system of internal control, include:

1. Clear organisation structure with delineated reporting lines
2. Defined levels of authority
3. Capable workforce with ongoing training efforts
4. Centralised human resource function which outlines procedures for recruitment, training, appraisal and the reward system
5. Timely financial and operations reports
6. Scheduled operations and management meetings
7. Centralised procurement function that ensures approval procedures are adhered to, as well as to leverage on the Group's purchasing power
8. Payment functions controlled at Head office
9. Regular visits to the operating units of the Group's businesses by the CEO and senior management personnel
10. Independent assurance on the system of internal control from regular internal audit visits

INTERNAL CONTROL 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.

WHISTLEBLOWING POLICY

The Group has in place a whistleblowing policy, which provides an avenue for employees, the Group's third party service providers, independent contractors, vendors and suppliers and members of the public to raise genuine concerns, disclose alleged, suspected or actual wrongdoings or know improper conduct on a confidential basis and without fear of any form of victimisation, harassment, retribution or retaliation.

The whistleblowing policy was recently revised to clarify and further enhance the existing reporting procedures.

RISK MANAGEMENT

In line with the Malaysian Code of Corporate Governance, and as part of the Company's plans to further enhance the Group's system of internal control, it has established a risk management system. The Board entrusts the ARMC with the overall responsibility to regularly review and monitor the risk management activities of the Group, in accordance with the Internal Control Guidance, and to approve appropriate risk management procedures and measurement methodologies.

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.

During the financial year ended 30 June 2020, the ARMC held (3) meetings where it reviewed and evaluated the adequacy of risk management activities of various unlisted operating subsidiary companies (i.e. Jollibean Foods Pte Ltd, Berjaya Roasters (M) Sdn Bhd and Berjaya Starbucks Coffee Company Sdn Bhd), and recommended certain measures to be adopted to mitigate their business risk exposures.

REVIEW BY EXTERNAL AUDITORS

The external auditors have performed limited assurance procedures on the Statement on Risk Management and Internal Control ("SRMIC") pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3 (previously the Recommended Practice Guide 5 (Revised 2015), Guidance for Auditors on Engagements to Report on the SRMIC included in the Annual Report issued by the Malaysian Institute of Accountants), for the year ended 30 June 2020, and reported to the Board that nothing has come to their attention that causes them to believe the SRMIC intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the SRMIC: Guidelines for Directors of Listed Issuers, nor is the SRMIC factually inaccurate. AAPG 3 does not require the auditors to consider whether the Directors' SRMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the external auditors was made solely to the Board in connection with their compliance with the Listing Requirements of Bursa Malaysia and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

CONCLUSION

The Board remains committed towards operating a sound system of internal control and recognises the need for the system to continuously evolve to support the types of businesses and size of operations of the Group. The Board, in striving for continuous improvement will put in place appropriate action plans, when necessary, to further enhance the Group's system of internal control.

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.

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 June 2020.

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*

Dato' Tunku Shazuddin Bin Tunku Sallehuddin
- *Independent Non-Executive Director*

Tan Thiam Chai
- *Non-Independent Non-Executive Director*

Subsequent to the financial year ended 30 June 2020, Dato' Tunku Shazuddin Bin Tunku Sallehuddin was appointed as a member of the ARMC with effect from 11 August 2020.

The ARMC held five (5) meetings during the financial year ended 30 June 2020. 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 thereafter 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 Chief Financial Officer and the 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 the Company's website at www.berjaya.com/berjaya-food/.

In discharging its duties and responsibilities, the ARMC had undertaken the following activities and work during the financial year ended 30 June 2020:-

Financial Reporting

(a) Reviewed the fifth period results, 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
20 August 2019	Fifth period results for financial period ended 30 June 2019*
8 October 2019	Unaudited results of the Group for the financial period ended 30 June 2019
11 November 2019	First quarter results for financial year ended 30 June 2020
6 February 2020	Second quarter results for financial year ended 30 June 2020
1 June 2020	Third quarter results for financial year ended 30 June 2020

* The fifth period results was due to the change of Company's financial year end from 30 April to 30 June.

The above review is to ensure that the Company's fifth period results, 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 ("MFRS") 134-Interim Financial Reporting Standards in Malaysia and International Accounting Standard 34- Interim Financial Reporting as well as the applicable disclosure provisions of the Main Market 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 period ended 30 June 2019 at its meeting held on 8 October 2019 and to ensure that it presented a true and fair view of the Company's financial position and performance for the year and it is in compliance with regulatory requirements. Prior to that, the ARMC had reviewed the status report on the Audit Plan for financial period ended 30 June 2019 prepared by the External Auditors at the meeting held on 20 August 2019.

External Audit

(a) Evaluated the performance of the External Auditors for the financial period ended 30 June 2019 covering areas such as calibre of the audit firm, quality processes/ performance, audit team, independence and objectivity, audit scope and planning, audit communications and 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 the re-appointment of EY as External Auditors for the ensuing financial year end of 30 June 2020 at its meeting held on 8 October 2019 for approval.

(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 including the key audit matter in relation to impairment of goodwill which was raised in the external auditors' report for the financial period ended 30 June 2019.

The ARMC also had private discussions with the External Auditors twice annually on 20 August 2019 and 8 October 2019, without the presence of Management during the review of the audited financial statements for the period ended 30 June 2019 to discuss any problems/ issues arising from the final audit, inter-alia, impairment review, loan covenants, MFRS 16- Leases, the Corporate Liability Provision on the Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) and the assistance given by the employees during the course of audit by External Auditors. However, there was no major issue raised during the private session.

(c) Reviewed with the External Auditors at the meeting held on 1 June 2020, their audit plan for the financial year end of 30 June 2020, scope of audit, audit timeline, audit emphasis, fraud considerations and the risk of management override, internal control considerations, digital audit, Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), auditors' independence, engagement letters for the 2020 statutory audit and review of directors' statement on risk management and internal control and financial reporting developments updates.

Internal Audit

(a) Reviewed the Internal Audit Reports on the Company's subsidiaries namely, Jollibean Foods Pte Ltd ("JFPL"), Berjaya Roasters (M) Sdn Bhd ("BRoasters") and Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") during the financial year under review. The ARMC also reviewed the audit findings, Internal Auditors' recommendations to improve any weaknesses or non-compliance together with the Management's responses from the respective business units and the timeline taken by Management to ensure the deficiencies are addressed promptly. 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 the financial year ending 30 June 2021 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 2019 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.

Risk Management Activities

(a) Reviewed the risk management activities on the Company's subsidiaries namely, JFPL, BRoasters and BStarbucks 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, Corporate Governance Report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control for inclusion in the 2019 Annual Report.

(b) Reviewed and verified the allocation and movement of the Employees' Share Scheme ("ESS") for the financial period ended 30 June 2019 to ensure that it had been carried out according to the criteria and matrix stipulated in the ESS's By-Laws.

(c) Assessed the adequacy of the scope, competency and performance of the internal audit function and its effectiveness of the audit processes for the financial period ended 30 June 2019.

(d) Reviewed the financial literacy of ARMC members for the financial period ended 30 June 2019.

(e) Reviewed and recommended to the Board the distribution of interim dividend for the financial year ended 30 June 2020 based on the solvency test conducted, that the distribution of dividend was in accordance with the provision made under the Companies Act 2016.

(f) Reviewed, discussed and took note of the new accounting standards and amendments that came into effect during the financial year including the assessment of adoption of new accounting standard- MFRS 16-Leases and other regulatory requirements with the External Auditors and the Management and its impact on the Company's financial statements.

In order to discharge the above duties and responsibilities of ARMC effectively, the ARMC members had undertaken continuous professional development and attended various seminars, training programmes and conferences during the financial year. They were also briefed by the External Auditors of the latest accounting and auditing standards applicable to the Group. The list of training attended is disclosed in the Corporate Governance Overview Statement as set out in this Annual Report.

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 Audit and Risk Management Committee ("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 Internal Audit are guided by 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 unit of the Group involved in the development and operation of the "Starbucks Coffee" stores in Malaysia & Brunei, "Kenny Rogers Roasters" chain of restaurants in Malaysia, "Jollibean", "Sushi Deli" & "Kopi Alley" outlets in Singapore and sales & distribution of premium "Consumer Packaged Goods".

The activities undertaken by the Internal Audit Division during the financial year ended 30 June 2020 included the following:

1. Tabled Internal Audit Plan for the ARMC's review and endorsement.
2. Reviewed the existing systems, controls and governance processes of the operating unit within the Group.
3. Conducted audit reviews and evaluated risk exposures relating to the Group's governance process and system of internal controls on reliability and integrity of financial and operational information, safeguarding of assets, efficiency of operations, compliance with established policies and procedures and statutory requirements.
4. Provided recommendations to assist the operating unit and the Group in accomplishing its internal control requirements by suggesting improvements to the control processes.
5. Issued internal audit reports incorporating audit recommendations and Management's responses in relation to audit findings on weaknesses in the systems and controls to the ARMC and the 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 June 2020 was approximately RM191,591.

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/berjaya-food/.

STATEMENT OF DIRECTORS' RESPONSIBILITY

IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The directors are required by the Companies Act 2016 to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company at the end of each financial year and of their results and cash flows for the financial year then ended.

In preparing the financial statements, the directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable;
- ensured that applicable accounting standards have been complied with; and
- applied the going concern basis.

The directors are responsible for ensuring that the Group and the Company keep proper accounting records, which disclose with reasonable accuracy on the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016.

The directors are responsible for taking reasonable steps to safeguard the assets of the Group and the Company and to prevent and detect other irregularities.

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 June 2020.

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, interior design services and investment holding.

RESULTS

	Group RM'000	Company RM'000
Loss for the year	(20,086)	(16,063)
Attributable to:		
- Owners of the parent	(19,582)	(16,063)
- Non-controlling interests	(504)	-
	(20,086)	(16,063)

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in Notes 21 and 35 to the financial statements.

DIVIDENDS

The dividends paid by the Company since 30 June 2019 were as follows:

	RM'000
<u>In respect of the financial period ended 30 June 2019</u>	
Fourth interim dividend of 1.0 sen per share single-tier dividend, paid on 26 July 2019	3,586
<u>In respect of the financial year ended 30 June 2020</u>	
First interim dividend of 1.0 sen per share single-tier dividend, paid on 27 December 2019	3,559
Second interim dividend of 1.0 sen per share single-tier dividend, paid on 26 March 2020	3,537
	7,096
Total dividend paid during the financial year ended 30 June 2020	10,682

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

DIRECTORS' REPORT

DIRECTORS

The names of the directors of the Company in office during the year and from the end of the financial year to the date of this report are:

Dato' Tunku Shazuddin Bin Tunku Sallehuddin
Sydney Lawrance Quays
Datuk Zainun Aishah Binti Ahmad
Dato' Mustapha Bin Abd Hamid
Tan Thiam Chai
Chryseis Tan Sheik Ling

The names of directors of the Company's subsidiaries in office during the year and from the end of the financial year to the date of this report excluding those who are already the directors of the Company are:

Chew Chong Eu
Chin Wan Ching
Dato' Lee Kok Chuan
Dato' Sri Robin Tan Yeong Ching
Djeng Shih Kien
Lee Siew Weng
Lim Seng Pheng
Luis A/L Daniel
Lung Hian Kiat
Noor Neelofa Binti Mohd Noor
Tan Yew Chuan
Teow Gek Keo
YAM Pengiran Muda Abdul Qawi

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 Scheme ("ESS").

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 the director is a member, or with a company in which the director has a substantial financial interest.

The Company maintained a Directors' and Officers' Liability Insurance in respect of any legal action taken against the directors and officers in the discharge of their duties while holding office for the Company and the Group. The total amount of insurance premium as at the financial year end effected for any director and officer of the Company was RM31,227. The directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

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			
		At 1.7.2019	Acquired	Disposed	At 30.6.2020
The Company					
Sydney Lawrance Quays		480,000	56,000 *	-	536,000
	(a)	19,000	-	-	19,000
Datuk Zainun Aishah binti Ahmad		197,800	16,000 *	-	213,800
Dato' Mustapha bin Abd Hamid		149,000	16,000 *	30,000	135,000
Tan Thiam Chai		473,800	16,000 *	-	489,800

	Number of ordinary shares under ESS			
	At 1.7.2019	Granted	Exercised/ vested	At 30.6.2020
ESS Options				
Dato Tunku Shazuddin Bin Tunku Sallehuddin	-	80,000	-	80,000
Sydney Lawrance Quays	988,000	-	-	988,000
Datuk Zainun Aishah binti Ahmad	320,000	-	-	320,000
Dato' Mustapha bin Abd Hamid	200,000	-	-	200,000
Tan Thiam Chai	320,000	-	-	320,000
ESS Shares				
Dato Tunku Shazuddin Bin Tunku Sallehuddin	-	36,000	-	36,000
Sydney Lawrance Quays	182,000	-	56,000	126,000
Datuk Zainun Aishah binti Ahmad	52,000	-	16,000	36,000
Dato' Mustapha bin Abd Hamid	52,000	-	16,000	36,000
Tan Thiam Chai	52,000	-	16,000	36,000

Subsidiary company:

	Number of ordinary shares			
	At 1.7.2019	Acquired	Disposed	At 30.6.2020
Jollibean Foods Pte Ltd				
Sydney Lawrance Quays	50,000	-	-	50,000

Ultimate holding company:

		Number of ordinary shares			
		At 1.7.2019	Acquired	Disposed	At 30.6.2020
Berjaya Corporation Berhad ("BCorp")					
Sydney Lawrance Quays		25	-	-	25
Tan Thiam Chai		126,992	-	-	126,992
	(a)	107,288	-	-	107,288
Chryseis Tan Sheik Ling		202,910	-	-	202,910

		Number of 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 of RM1.00 nominal value each			
		At 1.7.2019	Acquired	Disposed	At 30.6.2020
Tan Thiam Chai		20,600	-	-	20,600
	(a)	17,400	-	-	17,400
Chryseis Tan Sheik Ling		275,000	-	-	275,000

	Number of 2% Irredeemable Convertible Unsecured Loan Stocks 2016/2026 of RM1.00 nominal value each			
	At 1.7.2019	Acquired	Disposed	At 30.6.2020
Tan Thiam Chai	1,000	-	-	1,000

		Number of warrants 2012/2022			
		At 1.7.2019	Acquired	Disposed	At 30.6.2020
Tan Thiam Chai		20,600	-	-	20,600
	(a)	17,400	-	-	17,400

	Number of warrants 2016/2026			
	At 1.7.2019	Acquired	Disposed	At 30.6.2020
Tan Thiam Chai	1,000	-	-	1,000

Related companies:

	Number of ordinary shares			
	At 1.7.2019	Acquired	Disposed	At 30.6.2020
Berjaya Land Berhad				
Tan Thiam Chai	40,000	-	-	40,000
Chryseis Tan Sheik Ling	5,000,000	-	-	5,000,000

		Number of ordinary shares			
		At 1.7.2019	Acquired	Disposed	At 30.6.2020
Berjaya Sports Toto Berhad					
Tan Thiam Chai		172,284	-	-	172,284
	(a)	133,165	-	-	133,165

	Number of ordinary shares			
	At 1.7.2019	Acquired	Disposed	At 30.6.2020
Berjaya Burger Sdn Bhd				
Sydney Lawrance Quays	780,000	-	-	780,000

Notes:
(a) Indirect interests pursuant to Section 59(11)(c) of the Companies Act 2016.
* Shares arising from the vesting of ESS shares.

EMPLOYEES' SHARE SCHEME

On 18 November 2016, the Company obtained all required approvals and complied with the requirements pertaining to the Employees' Share Scheme ("ESS"). The ESS is approved for granting to the eligible employees of the Group, including directors of the Company, of the followings:

i) the right to receive new and/or existing ordinary shares of the Company ("ESS Shares"); and/or

ii) option to exercise and receive the ordinary shares of the Company ("ESS Options").

The committee administering the ESS comprises Sydney Lawrance Quays, Dato' Tunku Shazuddin Bin Tunku Sallehuddin and Datuk Zainun Aishah binti Ahmad.

The maximum number of ESS Shares (including shares in respect of ESS Options granted which have yet to be exercised) which may be made available under the ESS shall not exceed in aggregate five percent (5%) of the total issued and paid-up ordinary share capital of the Company (excluding treasury shares, if any) at any point in time throughout the duration of the ESS.

The salient features and terms of the ESS, details of ESS movements during the financial year are disclosed in Note 27 to the financial statements.

ISSUE OF SHARES

During the financial year, the Company increased its share capital from RM243,741,804 to RM243,938,208 by way of:

(i) the issuance of 58,900 new ordinary shares at an issue price of RM1.44 per share pursuant to the exercise of the share options that was granted under the ESS; and

(ii) the inclusion of RM111,588 from employees' share plan reserves as part of the paid up share capital upon the forfeiture of the ESS options of RM87,439 and upon the exercise of ESS options of RM24,149.

TREASURY SHARES

During the financial year, the Company bought back 5,399,200 (2019: 18,999,060) units and 476,520 (2019: 518,600) units of the ordinary shares of the Company were reissued for the vesting of ESS shares. The number of treasury shares held in hand as at 30 June 2020 was 28,422,680 (2019: 23,500,000) units.

As at 30 June 2020, the issued ordinary share capital of the Company with voting rights was 353,719,677 (2019: 358,583,457) ordinary shares.

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 adequate provision had been made for doubtful debts; 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) If necessary to write off any bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

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

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

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

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

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

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

(f) In the opinion of the directors:

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

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

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Significant event during the financial year is disclosed in Note 35 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

Significant event subsequent to the financial year is disclosed in Note 36 to the financial statements.

AUDITORS

The auditors, Ernst & Young PLT (change of legal status from a conventional partnership to a Limited Liability Partnership on 2 Jan 2020), have expressed their willingness to continue in office.

The remuneration of the auditors of the Group is disclosed in Note 21 to the financial statements.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT during the financial year and since the end of the financial year.

Signed on behalf of the Board in accordance with a
resolution of the directors dated 7 October 2020

Sydney Lawrance Quays

Tan Thiam Chai

STATEMENT BY DIRECTORS

(Pursuant to Section 251(2) of the Companies Act 2016)

We, Sydney Lawrance Quays 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 64 to 139 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 7 October 2020

Sydney Lawrance Quays

Tan Thiam Chai

STATUTORY DECLARATION

(Pursuant to Section 251(1)(b) of the Companies Act 2016)

I, Chin Wan Ching, the officer primarily responsible for the financial management of BERJAYA FOOD BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 64 to 139 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 Chin Wan Ching at Kuala Lumpur in the Federal Territory on 7 October 2020)))

Chin Wan Ching
MIA No: 16228

Before me:

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

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
Non-current assets					
Property, plant and equipment	3	286,046	275,456	-	2
Right-of-use assets	4	351,615	-	-	-
Subsidiary companies	5	-	-	411,574	442,688
Intangible assets	6	458,257	459,631	-	-
Receivables	8	24,038	24,942	-	-
Deferred tax assets	14	5,992	5,902	-	-
		1,125,948	765,931	411,574	442,690
Current assets					
Inventories	7	42,500	37,159	-	-
Trade and other receivables	8	22,552	27,440	13,291	12,446
Tax recoverable		10,900	3,861	10	15
Deposits with financial institutions	9	8,348	7,488	7,476	7,274
Cash and bank balances		18,864	14,971	86	222
		103,164	90,919	20,863	19,957
TOTAL ASSETS		1,229,112	856,850	432,437	462,647
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	10	243,938	243,742	243,938	243,742
Reserves	11	131,158	157,314	61,563	84,628
		375,096	401,056	305,501	328,370
Treasury shares	12	(42,145)	(35,730)	(42,145)	(35,730)
		332,951	365,326	263,356	292,640
Non-controlling interests		357	1,218	-	-
Total equity		333,308	366,544	263,356	292,640
Non-current liabilities					
Long term borrowings	13	121,047	127,400	118,997	126,258
Lease liabilities	4	296,858	-	-	-
Deferred tax liabilities	14	-	261	-	-
Provisions	15	12,619	12,449	-	-
		430,524	140,110	118,997	126,258
Current liabilities					
Trade and other payables	16	128,394	116,272	37,824	33,983
Provisions	15	3,648	1,990	-	-
Short term borrowings	17	190,088	161,121	12,260	9,766
Lease liabilities	4	64,275	-	-	-
Taxation		115	1,431	-	-
Contract liabilities	18	78,760	69,382	-	-
		465,280	350,196	50,084	43,749
Total liabilities		895,804	490,306	169,081	170,007
TOTAL EQUITY AND LIABILITIES		1,229,112	856,850	432,437	462,647

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 JUNE 2020

		Group		Company	
		1.7.2019 to 30.6.2020	**1.5.2018 to 30.6.2019**	**1.7.2019 to 30.6.2020**	**1.5.2018 to 30.6.2019**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	19	632,939	788,976	25,990	68,770
Cost of sales		(368,129)	(441,216)	-	-
Gross profit		264,810	347,760	25,990	68,770
Other income		12,036	9,191	659	640
Administrative expenses		(223,731)	(268,334)	(2,167)	(2,459)
Selling and distribution expenses		(17,105)	(19,699)	-	-
Other expenses		(10,055)	(3,840)	(31,666)	(1)
		25,955	65,078	(7,184)	66,950
Finance costs	20	(34,434)	(18,515)	(8,761)	(11,643)
(Loss)/Profit before tax	21	(8,479)	46,563	(15,945)	55,307
Income tax expense	23	(11,607)	(22,385)	(118)	(122)
(Loss)/Profit for the year/period		(20,086)	24,178	(16,063)	55,185
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
- Foreign currency translation		22	247	-	-
Total comprehensive income for the year/period		(20,064)	24,425	(16,063)	55,185
(Loss)/Profit attributable to:					
- Owners of the parent		(19,582)	24,376	(16,063)	55,185
- Non-controlling interests		(504)	(198)	-	-
		(20,086)	24,178	(16,063)	55,185
Total comprehensive income attributable to:					
- Owners of the parent		(19,561)	24,577	(16,063)	55,185
- Non-controlling interests		(503)	(152)	-	-
		(20,064)	24,425	(16,063)	55,185
(Loss)/Earnings per share (sen)	24				
- Basic		(5.50)	6.64		
- Diluted		+	6.59		

Note:
+ Not disclosed as the computation of diluted loss per share has the effect of anti-dilutive.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Attributable to the equity holders of the Company									
		Non-distributable				Distributable				
	Share capital	Employees' share plan reserve	Consolidation reserve	Exchange reserve	Merger deficit	Retained earnings	Treasury shares	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 2018	243,232	3,913	322	1,649	(55,087)	199,477	(7,687)	385,819	1,370	387,189
Profit for the period	-	-	-	-	-	24,376	-	24,376	(198)	24,178
Other comprehensive income	-	-	-	201	-	-	-	201	46	247
Total comprehensive income for the period	-	-	-	201	-	24,376	-	24,577	(152)	24,425
Transactions with owners										
Share-based payment under ESS	-	1,662	-	-	-	-	-	1,662	-	1,662
Reissued for ESS shares vested	-	(803)	-	-	-	41	762	-	-	-
Treasury shares acquired	-	-	-	-	-	-	(28,805)	(28,805)	-	(28,805)
ESS options exercised	416	(92)	-	-	-	-	-	324	-	324
ESS options forfeited	94	(94)	-	-	-	-	-	-	-	-
Dividends (Note 25)	-	-	-	-	-	(18,251)	-	(18,251)	-	(18,251)
	510	673	-	-	-	(18,210)	(28,043)	(45,070)	-	(45,070)
At 30 June 2019/1 July 2019	243,742	4,586	322	1,850	(55,087)	205,643	(35,730)	365,326	1,218	366,544
Loss for the year	-	-	-	-	-	(19,582)	-	(19,582)	(504)	(20,086)
Other comprehensive income	-	-	-	21	-	-	-	21	1	22
Total comprehensive income for the year	-	-	-	21	-	(19,582)	-	(19,561)	(503)	(20,064)
Transactions with owners										
Share-based payment under ESS	-	925	-	-	-	-	-	925	-	925
Reissued for ESS shares vested	-	(739)	-	-	-	19	720	-	-	-
Adjustment in relation to dilution of equity interest in subsidiary company	-	-	407	-	-	-	-	407	(358)	49
Transfer between reserves	-	-	-	(992)	-	992	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-	(7,135)	(7,135)	-	(7,135)
ESS options exercised	109	(24)	-	-	-	-	-	85	-	85
ESS options forfeited	87	(87)	-	-	-	-	-	-	-	-
Dividends (Note 25)	-	-	-	-	-	(7,096)	-	(7,096)	-	(7,096)
	196	75	407	(992)	-	(6,085)	(6,415)	(12,814)	(358)	(13,172)
At 30 June 2020	243,938	4,661	729	879	(55,087)	179,976	(42,145)	332,951	357	333,308

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

COMPANY	Share capital RM'000	Non-distributable Employees' share plan reserve RM'000	Distributable Retained earnings RM'000	Treasury shares RM'000	Total equity RM'000
At 1 May 2018	243,232	3,913	43,067	(7,687)	282,525
Total comprehensive income for the period	-	-	55,185	-	55,185
Transactions with owners					
Share-based payment under ESS	-	1,662	-	-	1,662
Reissued for ESS shares vested	-	(803)	41	762	-
Treasury shares acquired	-	-	-	(28,805)	(28,805)
ESS options exercised	416	(92)	-	-	324
ESS options forfeited	94	(94)	-	-	-
Dividends (Note 25)	-	-	(18,251)	-	(18,251)
	510	673	(18,210)	(28,043)	(45,070)
At 30 June 2019/1 July 2019	243,742	4,586	80,042	(35,730)	292,640
Total comprehensive income for the year	-	-	(16,063)	-	(16,063)
Transactions with owners					
Share-based payment under ESS	-	925	-	-	925
Reissued for ESS shares vested	-	(739)	19	720	-
Treasury shares acquired	-	-	-	(7,135)	(7,135)
ESS options exercised	109	(24)	-	-	85
ESS options forfeited	87	(87)	-	-	-
Dividends (Note 25)	-	-	(7,096)	-	(7,096)
	196	75	(7,077)	(6,415)	(13,221)
At 30 June 2020	243,938	4,661	56,902	(42,145)	263,356

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	654,455	795,790	-	-
Payment to suppliers and operating expenses	(481,146)	(640,910)	(1,624)	(1,827)
Payment of tax	(20,293)	(23,271)	(113)	(155)
Other receipts	1,889	274	-	-
Net cash flow generated from/(used in) operating activities	154,905	131,883	(1,737)	(1,982)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sales of property, plant and equipment	79	257	-	-
Sales of investment in a subsidiary company (Note a)	-	427	-	-
Acquisition of property, plant and equipment (Note c)	(52,017)	(86,587)	-	-
Acquisition of intangible assets	(4,040)	(5,582)	-	-
Interest received	317	383	193	224
Dividend received	-	-	25,990	68,770
Loan to related companies	-	-	(3,260)	(3,266)
Repayment from related companies	-	-	2,858	200
Net cash flow (used in)/generated from investing activities	(55,661)	(91,102)	25,781	65,928
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of share capital	85	324	85	324
Issuance of share capital to non-controlling interest of a subsidiary company	49	-	-	-
Treasury shares acquired	(7,135)	(28,805)	(7,135)	(28,805)
Drawdown of bank borrowings	135,475	206,082	-	-
Repayment of bank borrowings	(114,266)	(197,843)	(5,000)	(10,000)
Payment of hire purchase	(365)	(223)	-	-
Payment of principal portion of lease liabilities	(63,145)	-	-	-
Interest paid	(34,473)	(16,511)	(7,192)	(8,110)
Dividends paid	(10,682)	(14,665)	(10,682)	(14,665)
Net placement with bank as security pledged for borrowings	(238)	(4,008)	(202)	(4,375)
Advance from related companies	120	64	10,492	71
Repayment to related companies	(54)	(61)	(4,546)	(3,270)
Net cash flow used in financing activities	(94,629)	(55,646)	(24,180)	(68,830)
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,615	(14,865)	(136)	(4,884)
EFFECT OF EXCHANGE RATE CHANGES	20	106	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	14,023	28,782	222	5,106
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD	18,658	14,023	86	222

CASH AND CASH EQUIVALENTS	Group 1.7.2019 to 30.6.2020 RM'000	Group 1.5.2018 to 30.6.2019 RM'000	Company 1.7.2019 to 30.6.2020 RM'000	Company 1.5.2018 to 30.6.2019 RM'000
The closing cash and cash equivalents comprise of the following:				
Cash and bank balances	18,864	14,971	86	222
Deposits with financial institutions	8,348	7,488	7,476	7,274
Bank overdraft (Note 17)	(828)	(948)	-	-
	26,384	21,511	7,562	7,496
Less: Deposits pledged with bank - restricted (Note 9)	(7,726)	(7,488)	(7,476)	(7,274)
	18,658	14,023	86	222

Notes:

a) Sales of investment in a subsidiary company in the previous financial period was the balance proceeds received from partial disposal of shares in a subsidiary company in prior years.

b) Changes in liabilities arising from financing activities:

	Group 1.7.2019 to 30.6.2020 RM'000	Group 1.5.2018 to 30.6.2019 RM'000	Company 1.7.2019 to 30.6.2020 RM'000	Company 1.5.2018 to 30.6.2019 RM'000
Total borrowings (excludes bank overdraft)				
At beginning of the year/period	287,573	279,253	136,024	145,720
Drawdown of bank borrowings	135,475	206,082	-	-
Additional hire purchase	1,657	-	-	-
Repayment of bank borrowings and hire purchase	(114,631)	(198,066)	(5,000)	(10,000)
Charge out of deferred transaction costs (Note 20)	233	304	233	304
At end of the year/period	310,307	287,573	131,257	136,024

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Due to related companies				
At beginning of the year/period	80	77	28,691	29,998
Advance from related companies	120	64	10,492	71
Repayment to related companies	(54)	(61)	(4,546)	(3,270)
Interest charged by subsidiary company	-	-	1,609	1,892
At end of the year/period	146	80	36,246	28,691

c) Analysis of the payment for acquisition of property, plant and equipment:

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Payment for current year acquisition (Note 3)	40,744	77,794	-	-
Payment for previous year acquisition	11,273	8,793	-	-
	52,017	86,587	-	-

d) The total cash outflows for leases were as follows:

	Group	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Total cash outflow for leases:		
- payment for principal portion of lease liabilities	63,145	-
- interest paid on lease liabilities	18,000	-
- payment of expenses relating to short term leases	11,501	-
- payment of expenses relating to leases of low-value assets	529	-
- variable payments for leases	9,069	-
	102,244	-

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

1. ABBREVIATION AND CORPORATE INFORMATION

1.1 Abbreviation

The following abbreviations are applied throughout the financial statements:-

The Group – Berjaya Food Berhad and its subsidiary companies
BCorp – Berjaya Corporation Berhad
BFI – Berjaya Food (International) Sdn Bhd
BFSSB – Berjaya Food Supreme Sdn Bhd
BFT – Berjaya Food Trading Sdn Bhd
BGroup – Berjaya Group Berhad
BJM – Berjaya Jollibean (M) Sdn Bhd
BRC – Berjaya Roasters (Cambodia) Ltd
BRoasters – Berjaya Roasters (M) Sdn Bhd
BStarbucks – Berjaya Starbucks Coffee Company Sdn Bhd
JLPL – Jollibean Foods Pte Ltd
MFRSs – Malaysian Financial Reporting Standards

1.2 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, interior design services and investment holding.

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

The registered office of the Company is located at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.

The holding company is BGroup and the ultimate holding company is 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 7 October 2020.

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 MFRSs, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

At the beginning of the current financial year, the Group had adopted MFRSs which are mandated for financial year beginning on or after 1 July 2019 and early adopted the Amendments to MFRS 16 as described in Note 2.3.

The financial statements are presented in Ringgit Malaysia (“RM”) and all values/units are rounded to the nearest thousand (“RM’000”)/(‘000) except when otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies

2.2.1 Subsidiaries and basis of consolidation

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

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) the contractual right arrangement with the other vote holders of the investee;
(iv) rights arising from other contractual arrangements; and
(v) 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 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 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.1 Subsidiaries and basis of consolidation (continued)

If the business combination is achieved in stages, any 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 9: Financial Instruments 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 except for unrealised losses, which are not eliminated when there are indications of impairment.

Profit or loss and each component of other comprehensive income are attributed to the non-controlling interests, 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 in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.1 Subsidiaries and basis of consolidation (continued)

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

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

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

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 carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interest at the date when control is lost;

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. Any investment retained is recognised at fair value.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.2 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 and the cost of the item can be measured reliably. Subsequent to recognition, when property, plant and equipment are required to be replaced in intervals, the Group 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:

Buildings	2%
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 year 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)

2.2.3 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 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 franchise business in the respective countries. The development right fees are capitalised and amortised over the year of the development agreement from the date the operation commences.

Licences fees are required to be paid in respect of the opening of new outlets in the respective countries. The licence fees paid are capitalised and amortised over the remaining year 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.

2.2.4 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 in the ordinary course of business less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.5 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, intangible assets that have indefinite useful lives and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date or more frequently when there is any indication of impairment.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.6 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(1) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the entity becomes party to the contractual provisions of the instruments.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The classification of financial assets at initial recognition depends on:

(a) the financial asset's contractual cash flow characteristics; and
(b) the Group's business model for managing them.

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

Classification of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model. Such changes are expected to be very infrequent.

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or if the period between performance and payment is 1 year or less under practical expedient of MFRS 15, are measured at the transaction price determined under MFRS 15.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.7 Financial instruments (continued)

(1) Financial assets (continued)

Subsequent measurement

Subsequent measurement of financial assets depends on its classification. The classification that is applicable to the Group is as follows:

(i) Amortised cost

This category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Subsequent to initial recognition, the amortised cost of a financial asset is the amount at initial recognition minus principal repayments plus cumulative amortisation using the effective interest method and reduced by any impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

(i) The contractual rights to receive cash flows from the asset have expired; or
(ii) The Group has transferred its rights to receive the cash flows from the assets and has transferred substantially all risks and rewards related to the asset; or
(iii) The Group has transferred its rights to receive the cash flows from the assets and has not retained control of the assets; or
(iv) The Group has assumed an obligation to pay the cash flows from the asset in full without material delay to a third party under a 'pass-through' arrangement.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, but is not able to derecognise the asset, then the Group has to continue recognising the transferred asset to the extent of its continuing involvement and to recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.7 Financial instruments (continued)

(2) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the entity becomes party to the contractual provisions of the instruments.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost or financial liabilities at fair value through profit or loss.

The Group initially measures a financial liability at its fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

Subsequent measurement

The Group measures the financial liabilities depending on their classification. The classification that is applicable to the Group is as follows:

(i) Amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, which allocates interest expenses at a constant rate over the term of the financial liabilities. The effective interest rate is calculated at initial recognition and is the rate that exactly discounts the estimated future cash flows (including all fees and points paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability to the amortised cost of a financial liability.

Subsequent to initial recognition, the amortised cost of a financial liability is the amount at initial recognition minus repayments, plus the cumulative amortisation using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability expires, or is discharged or cancelled. 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 a replacement or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(3) Offsetting of financial instruments

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, or to realise the assets and settle the liabilities simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.8 Impairment of financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables.

ECLs are the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are part of the contractual terms.

ECLs are recognised in two stages. For credit exposures where there have not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures where there have been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies the simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established provision matrices that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group recognises impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in profit or loss and accumulated in the fair value reserve.

In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.2.9 Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value. The fair value of a financial guarantee contract is the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been required without the guarantee. The present value is calculated using a risk free rate of interest.

At the end of each subsequent reporting period, financial guarantees are measured at the higher of:
- the amount of the loss allowance determined in accordance with ECL; and
- the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15, where appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.10 Contract assets and contract liabilities

A contract asset is the right of the Group to consideration in exchange for goods or services that it has transferred to the customer when that right is conditional upon future performance but not through the passage of time. If the Group has performed its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised and presented net of any amounts that has been recognised as receivables. Contract asset is the excess of cumulative revenue earned or recognised in profit or loss over the billings to date to the customer. Contract assets are subject to impairment assessment in accordance of MFRS 9 Financial Instruments.

A contract liability is the obligation of the Group to transfer goods and services to a customer for which it has received consideration or an amount of consideration is due from the customer. If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional before it transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs its obligation under the contract. Contract liability is the excess of the billings to date to the customer over the cumulative revenue earned or recognised in profit or loss. Contract liabilities include advance payment and down payments received from customers and other amounts where the Group has billed or has collected the payment before the goods are delivered or services are provided to the customers.

2.2.11 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 of cash and subject to an insignificant risk of changes in value, against which the bank overdrafts, if any, are deducted.

2.2.12 Government grants

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

2.2.13 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 year they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.14 Leases

A lease, as defined in MFRS 16, is a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assesses at inception of a contract whether a contract is, or contains a lease in accordance to MFRS 16.

(1) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease i.e. the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, estimated cost to dismantle/restore the underlying asset, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. In the case where the lease transfers the ownership of the underlying asset to the Group at the end of the lease term or the cost of the right-of-use asset implies that the Group will exercise a purchase option, depreciation is calculated using the estimated useful life of the underlying asset. The depreciation period are as follows:

Property	2 to 21 years

'Lease term' refers to the non-cancellable period of a lease plus: (i) the period covered by an option to extend the lease if the Group is reasonably certain to exercise; and (ii) the period covered by an option to terminate if the Group is reasonably certain not to exercise.

The right-of-use assets are also subject to impairment as detailed in Note 2.2.5 to the financial statements.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group, and payments of penalties for termination (if the lease term reflects the Group exercising the option to terminate the lease).

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.14 Leases (continued)

(1) Group as a lessee (continued)

Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses the incremental borrowing rate (“IBR”) (of the lessee) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a reassessment (e.g. change in the lease term) or lease modification (e.g. change in scope of lease).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of asset (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(2) Group as a lessor

Operating lease

Leases in which the Group retains substantially all the risks and rewards incidental to ownership of the underlying asset are classified as operating leases. Lease income from operating lease is accounted for on a straight-line basis or another systematic basis if the other systematic basis is more representative of the pattern of benefit received. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as lease income. The underlying asset of an operating lease is included in the statements of financial position based on the nature of the asset.

Contingent rents are recognised as revenue in the period in which they are earned.

Finance lease

A finance lease is a lease contract which transfers (to the lessee) substantially all the risks and rewards incidental to ownership of an asset. At commencement of the contract, the Group (as lessor) recognises the finance lease as a receivable at an amount equal to the net investment in the lease. The net investment of a lease is the present value of the gross investments which includes fixed payments (including in-substance fixed payments) less any lease incentives payable, variable lease payments that depend on an index or a rate, residual value guarantees, exercise price of a purchase option and penalties for termination which are reasonably certain to be received.

Subsequent to the commencement date, finance income is recognised over the lease term on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Contingent rents from finance lease are recognised as revenue in the period in which they are earned.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax 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 a finance cost.

2.2.16 Equity instruments

Ordinary shares are classified as equity instruments. Dividends on ordinary shares are recognised in equity in the year 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.

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of treasury shares. Treasury shares may be acquired and held by the Company. Consideration paid or received is recognised directly in equity.

2.2.17 Current and non-current classification

The Group 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.18 Contingencies

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

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

2.2.19 Revenue recognition

MFRS 15 establishes a five-step model that will apply to revenue arising from contracts with customers.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts 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.

The Group recognise revenue from contracts with customers based on the five-step model as set out below:

(i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations. A contract falls within the scope of MFRS 15 if it meets all the criteria sets out in this standard.

(ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer goods or services to the customer.

(iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group expect(s) to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

(iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group needs to allocate the transaction price to each performance obligation on a relative stand-alone selling price basis.

(v) Recognise revenue when the Group satisfies a performance obligation or as the Group is satisfying a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Revenue is recognised at the point in time at which the performance obligation is satisfied. However, where the performance obligation is satisified over time, the Group shall recognise revenue over time if the Group's or the Company's performance:

(a) Provides benefits that the customer simultaneously receives and consumes as the Group performs; or

(b) Creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) Does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to-date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.19 Revenue recognition (continued)

The recognition of the specific revenue are set out below:

(i) Sales of products and provision of services

Revenue is recognised at a point in time upon delivery of products or performance of services, and customer acceptance, if any.

The revenue is net of discount and/or any portion that are allocated to the free food, beverage or merchandise to be rewarded under the customer loyalty programmes.

(ii) 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 using the stored value cards. This gives rise to a separate performance obligation as it provide a right of redemption to the customer.

A portion of the transaction price is allocated to the purchases by customers based on relative stand-alone selling price of the free food, beverage or merchandise to be rewarded, and recognised as a contract liability. Revenue is recognised upon redemption by customers.

The recognition of other classes of revenue that are not within the scope of MFRS 15 are set out below:

(i) Dividend income

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

(ii) Interest income

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

(iii) Other income

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.20 Foreign currencies

(1) 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 RM, which is also the Company's functional currency.

(2) 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 year 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 year 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.

(3) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.21 Employee benefits

(1) 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. 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.

(2) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group 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.

(3) Employees' share scheme

Employees of the Group received remuneration in the form of share options or share awards as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the share options and share awards on the date of grant. This cost is recognised in profit or loss, with a corresponding increase in the employees' share plan 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 share options and share awards 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 year.

No expense is recognised for share options or share awards that do not ultimately vest, except for share options or share awards 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. When the share options are exercised or share awards are vested, the employees' share plan reserve relating to the exercised options or vested shares is transferred to share capital. When the share options or share awards are forfeited, the employees' share plan reserve relating to the forfeited share options or share awards is transferred to share capital.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.22 Tax

(1) Current tax

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

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

(2) 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 taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or 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; and

- in respect of taxable temporary differences associated with investments in subsidiary companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or 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; and

- in respect of deductible temporary differences associated with investments in subsidiary companies, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.22 Tax (continued)

(2) Deferred tax (continued)

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.

(3) Indirect taxes

Indirect taxes include Sales Tax, Service Tax, and Goods and Services Tax (also known as Value Added Tax).

The amount of indirect taxes payable to taxation authority is included as part of payables in the statements of financial position.

Indirect taxes incurred on the purchase of assets or services which cannot be recovered from the respective tax authorities are recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The difference between output and input Goods and Services tax, being the amount payable to or receivable from the respective taxation authorities at the reporting date, is included in other payables or other receivables respectively in the statements of financial position.

2.2.23 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies

On 1 July 2019, the Group adopted the following new MFRSs, Amendments to MFRSs, Annual Improvements to MFRSs and IC Interpretations:

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

- Amendments to MFRS 9: Financial Instruments – Prepayment Features with Negative Compensation
- MFRS 16: Leases
- Amendments to MFRS 119: Employee Benefits – Plan Amendment, Curtailment or Settlement
- Amendments to MFRS 128: Long Term Interest in Associates and Joint Ventures
- Annual Improvements to MFRSs 2015-2017 Cycle - Amendments to MFRS 3: Business Combinations
- Annual Improvements to MFRSs 2015-2017 Cycle - Amendments to MFRS 11: Joint Arrangements
- Annual Improvements to MFRSs 2015-2017 Cycle - Amendments to MFRS 112: Income Taxes
- Annual Improvements to MFRSs 2015-2017 Cycle - Amendments to MFRS 123: Borrowing Costs
- IC Interpretation 23: Uncertainty over Income Tax Treatments

The Group has early adopted the Amendments to MFRS 16: COVID-19 – Related Rent Concessions on 1 July 2019, which is effective for financial years beginning on or after 1 June 2020.

Adoption of the above new MFRS, Amendments to MFRSs, Annual Improvements to MFRSs and IC Interpretation did not have any effect on the financial performance of position of the Group and of the Company except as discussed below:

<u>MFRS 16: Leases</u>

MFRS 16 supersedes MFRS 117: Leases, IC interpretation 4: Determining whether an Arrangement contains a Lease, IC interpretation 115: Operating Leases-Incentives and IC Interpretation 127: Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 does not have an impact for leases where the Group is the lessor.

The Group has applied MFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application, if any, is recognised as an adjustment to retained earnings at 1 July 2019 (“date of initial application”). Accordingly, comparatives are not restated. i.e. it is presented as previously reported under MFRS 117.

At the date of initial application, for leases that were previously classified as operating lease under MFRS 117 were measured at the present value of the remaining lease payments, discounted at the IBR as at that date. The weighted-average rate applied was 4.89%. Right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies (continued)

MFRS 16: Leases (continued)

The Group has applied the following practical expedients in the adoption of MFRS16:-

- For a contract entered into before the date of initial application, the Group did not reassess whether it is, or contains a lease as defined in MFRS 16. Instead, the Group applied MFRS 16 only to contracts that were previously identified as leases in accordance to MFRS 117;
- A single discount rate has been applied to portfolios of leases with reasonably similar characteristics;
- Impairment losses on right-of-use assets as at 1 July 2019 have been measured by reference to the amount of any onerous lease provision recognised on 30 June 2019;
- Leases with a remaining term of twelve months or less from the date of initial application have been treated as short-term leases and not recognised on statements of financial position;
- Hindsight was used in determining the lease term if the contract contains options to extend or terminate the lease;
- Initial direct costs were excluded from measuring the right-of-use asset at the date of initial application.

The effect of adoption of MFRS 16 as at 1 July 2019 (increase/(decrease)) is as follows:

Group **Consolidated Statement of Financial Position**	**1 July 2019** **Adjusted** **RM'000**
Assets	
Right-of-use asset	380,360
Liabilities	
Lease liabilities	380,360

The reconciliation between operating lease commitments disclosed by applying MFRS 117 at 30 June 2019, and lease liabilities recognised in the statement of financial position at 1 July 2019 is as follows:

	Group **RM'000**
Operating lease commitments as at 30 June 2019	126,009
Less: Adjustment to commitment related to non-lease components	(12,202)
Less: Commitments relating to short term leases	(10,003)
Less: Commitments relating to leases of low value assets	(55)
Add: Lease payments relating to renewal periods not included in the operating lease commitments	353,273
Gross lease liabilities as at 1 July 2019	457,022
Discounting	(76,662)
Lease liabilities as at 1 July 2019	380,360

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies (continued)

MFRS 16: Leases (continued)

On the adoption of the Amendments to MFRS 16, the Group applies the practical expedients not to assess whether a COVID-19 related rent concession from a lessor to all rent concessions that meets all of the following conditions is a lease modification:

1. The change in lease payments results in revised consideration for the lease that is substantially the same as or less than the consideration for the lease immediately preceding the change;
2. Any reduction in lease payments affect only payments due on or before 30 June 2021; and
3. There is no substantive change to other terms and conditions of the lease.

The Group accounts for such COVID-19 related rent concession as a variable lease payments in the year in which the event or condition that triggers the reduced payment occurs and accordingly recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Standards and interpretations issued but not yet effective

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

Effective for financial years beginning on or after 1 January 2020:

- Amendments to MFRS 2: Share-based Payment
- Amendments to MFRS 3: Business Combinations – Definition of a Business
- Amendments to MFRS 6: Exploration for and Evaluation of Mineral Resources
- Amendments to MFRS 14: Regulatory Deferral Accounts
- Amendments to MFRS 101: Presentation of Financial Statements – Definition of Material
- Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
- Amendments to MFRS 134: Interim Financial Reporting
- Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets
- Amendments to MFRS 138: Intangible Assets
- IC Interpretation 12: Service Concession Arrangements
- IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
- IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine
- IC Interpretation 22: Foreign Currency Transactions and Advance Consideration
- IC Interpretation 132: Intangible Assets – Web Site Costs

Effective for financial years beginning on or after 1 January 2021:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - Interest Rate Benchmark Reform – Phase 2

Effective for financial years beginning on or after 1 January 2022:

- Amendments to MFRS 3: Business Combinations: Reference to Conceptual Framework
- Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018 - 2020

Effective for financial years beginning on or after 1 January 2023:

- MFRS 17: Insurance Contracts
- Amendments to MFRS 17: Insurance Contracts
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

Effective date yet to be determined:

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements

The preparation of the Group's and of the Company'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 judgement made in applying accounting policies

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

(i) Determining the lease term of contracts with renewal and termination options as lessee.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably not to be exercised.

The Group assesses, by applying significant judgement at lease commencement date, whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term. After the commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate it (e.g., construction of significant leasehold improvements).

(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) Impairment assessment of goodwill and trademark

The Group performs an impairment test on its goodwill and trademark on a periodic basis or when there is indication of impairment. This requires an estimation of the VIU of the CGU to which goodwill is allocated and the VIU of the trademark. 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 assumptions used for VIU computation are disclosed in Note 6.1 and Note 6.2.

(ii) Contract liability

Contract liability represents a part of the sale proceeds received from customers which relates to free food and beverage to be rewarded to the customer loyalty programme members. The amount of sale proceeds apportioned to deferred income is measured at the fair value of food and beverage to be rewarded, which is estimated based on the historical redemption pattern. Details of contract liability/deferred income are disclosed in Note 18.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements

(b) Key sources of estimation uncertainty (continued)

(iii) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses IBR to measure lease liability. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

(iv) Impairment of investment in subsidiaries

During the current financial year, the Company recognised impairment losses in respect of its investment in certain subsidiaries. The Company carried out the impairment test based on estimation of the VIU of the CGU of the respective subsidiaries. Estimating the VIU requires the Company 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 assumptions used for VIU computation are disclosed in Note 5.

(v) Impairment of non-financial assets

During the current financial year, the Group recognised impairment losses in respect of certain property, plant and equipment and right-of-use assets. The Group carried out the impairment test based on the variety of estimation including the VIU of the CGU to which the property, plant and equipment and right-of-use assets 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 and Note 4.

3. PROPERTY, PLANT AND EQUIPMENT

GROUP

2020	Buildings RM'000	Office equipment, furniture and fittings and motor vehicles RM'000	Computer RM'000	Plant, machinery, kitchen equipment and smallwares RM'000	Renovations and restoration RM'000	Capital work-in-progress RM'000	Total RM'000
Net carrying amount							
At beginning of year	29,995	32,276	4,536	55,138	148,306	5,205	275,456
Additions	-	3,148	1,214	13,718	29,997	12,606	60,683
Disposals	-	(37)	-	-	-	-	(37)
Depreciation charge	(622)	(6,336)	(1,358)	(8,475)	(25,730)	-	(42,521)
Write off	-	(492)	(8)	(972)	(4,488)	(418)	(6,378)
Impairment	-	(114)	(2)	(279)	(782)	-	(1,177)
Exchange differences	-	2	(1)	-	19	-	20
Reclassification	-	1,874	112	(1,303)	9,970	(10,653)	-
At end of year	29,373	30,321	4,493	57,827	157,292	6,740	286,046
As at 30 June 2020							
Cost	31,113	72,781	15,207	117,419	286,359	6,740	529,619
Accumulated depreciation	(1,740)	(42,346)	(10,712)	(59,313)	(128,285)	-	(242,396)
Accumulated impairment	-	(114)	(2)	(279)	(782)	-	(1,177)
Net carrying amount	29,373	30,321	4,493	57,827	157,292	6,740	286,046
2019							
Net carrying amount							
At beginning of period	17,700	33,841	4,090	44,009	127,416	7,027	234,083
Additions	12,829	2,857	2,014	23,508	34,065	15,718	90,991
Disposals	-	(350)	-	(3)	-	-	(353)
Depreciation charge	(534)	(7,737)	(1,549)	(8,742)	(27,138)	-	(45,700)
Write off	-	(337)	(3)	(312)	(2,825)	-	(3,477)
Adjustment	-	-	-	-	(95)	-	(95)
Impairment	-	(11)	(18)	(118)	(37)	-	(184)
Exchange differences	-	16	1	11	163	-	191
Reclassification	-	3,997	1	(3,215)	16,757	(17,540)	-
At end of period	29,995	32,276	4,536	55,138	148,306	5,205	275,456
As at 30 June 2019							
Cost	31,113	70,001	14,105	109,914	259,982	5,205	490,320
Accumulated depreciation	(1,118)	(37,714)	(9,551)	(54,658)	(111,639)	-	(214,680)
Accumulated impairment	-	(11)	(18)	(118)	(37)	-	(184)
Net carrying amount	29,995	32,276	4,536	55,138	148,306	5,205	275,456

Included in property, plant and equipment of the Group are fully depreciated assets which are still in use costing about RM90,299,000 (2019: RM77,076,000).

Included in the Group's adjustment row in the previous financial period was over accrual of costs of RM95,000.

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY	Office equipment	Furniture and fittings	Computer	Total
2020	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Net carrying amount				
At beginning of year	-	-	2	2
Depreciation charge	-	-	(2)	(2)
At end of year	-	-	-	-
As at 30 June 2020				
Cost	-	1	16	17
Accumulated depreciation	-	(1)	(16)	(17)
Net carrying amount	-	-	-	-
2019				
Net carrying amount				
At beginning of year	2	1	6	9
Depreciation charge	(1)	(1)	(4)	(6)
Write-off	(1)	-	-	(1)
At end of year	-	-	2	2
As at 30 June 2019				
Cost	-	1	16	17
Accumulated depreciation	-	(1)	(14)	(15)
Net carrying amount	-	-	2	2

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

	Group	
	1.7.2019 to 30.6.2020 RM'000	**1.5.2018 to 30.6.2019 RM'000**
Hire purchase	458	-
Cash	40,744	77,794
Amounts due to suppliers	17,118	11,273
Provision for restoration cost	2,363	1,924
	60,683	90,991

Certain furniture and fittings and office equipment with a carrying amount of RM2,379,000 (2019: RM970,000) are under hire purchase arrangements.

During the financial year, the Group conducted a review of the recoverable amount of certain property, plant and equipment and recognised an impairment loss of RM1,177,000 (2019: RM184,000) as the recoverable amount was lower than the carrying amount. The recoverable amount was determined based on projected cash flows that are discounted using rates ranging from 10.50% to 11.50%.

4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the financial year.

GROUP	Property
2020	**RM'000**
Net carrying amount	
At beginning of year	-
Effect on adoption of MFRS 16	380,360
At beginning of year (Adjusted)	380,360
Additions	43,792
Depreciation charge	(72,504)
Impairment	(154)
Exchange differences	121
At end of year	351,615
As at 30 June 2020	
Cost	424,289
Accumulated depreciation	(72,520)
Accumulated impairment	(154)
Net carrying amount	351,615

The right-of-use assets are in respect of lease contracts for the cafes, restaurants, warehouse and offices.

During the financial year, the Group conducted a review of the recoverable amount of certain property, plant and equipment and recognised an impairment loss of RM154,000 (2019: RMNil) as the recoverable amount was lower than the carrying amount. The recoverable amount was determined based on projected cash flows that are discounted at a rate of 11.00%.

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities recognised and the movements during the financial year:

	Group
	RM'000
At beginning of year	-
Effect on adoption of MFRS 16	380,360
At beginning of year (Adjusted)	380,360
Additions	43,792
Accretion of interest (Note 20)	18,000
Lease payments	(81,145)
Exchange difference	126
As at 30 June 2020	361,133
Disclosed as:	
- Current	64,275
- Non-current	296,858
As at 30 June 2020	361,133

5. SUBSIDIARY COMPANIES

	Company 2020 RM'000	Company 2019 RM'000
Unquoted shares in Malaysia, at cost	440,927	440,927
ESS granted to employees of subsidiary companies	7,343	6,791
	448,270	447,718
Less: Accumulated impairment	(36,696)	(5,030)
	411,574	442,688

During the current financial year, the Company conducted a review of recoverable amounts of investment in subsidiary companies and the review has led to the recognition of impairment loss amounting to RM31,666,000 (2019: RMNil). The recoverable amounts are determined based on VIU calculation. The discount rate used in the VIU calculation is 11.50% (2019: 12.00%).

Unquoted shares costing RM359,417,000 (2019: RM359,025,000) have been pledged to a financial institution for credit facility granted to the Company.

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^ 2020	% of ownership interest held by the Group^ 2019	% of ownership interest held by non-controlling interests^ 2020	% of ownership interest held by non-controlling interests^ 2019
Held by the Company:						
BStarbucks	Malaysia	Development and operation of the "Starbucks Coffee" chain of cafes and retail outlets in Malaysia.	100	100	-	-
BRoasters	Malaysia	Development and operation of the "Kenny Rogers Roasters" chain of restaurants in Malaysia.	100	100	-	-
BFI	Malaysia	Investment holding.	100	100	-	-
BFT	Malaysia	Sale and distribution of food and beverage in Malaysia.	100	100	-	-

5. SUBSIDIARY COMPANIES (CONTINUED)

Name	Country of incorporation	Principal activities	% of ownership interest held by the Group^		% of ownership interest held by non-controlling interests^	
			2020	2019	2020	2019
Subsidiaries of BFI						
JLPL*	Singapore	Operation of retail outlets and food caterer in Singapore as well as to grant franchise to operate outlets both locally and internationally.	65	95	35	5
BFSSB#	Brunei	Development and operation of the "Starbucks Coffee" chain of cafes and retail stores in Brunei.	80	80	20	20
BRC *	Cambodia	Dormant. Dissolved subsequent to financial year end.	70	70	30	30
Subsidiary of JFPL:						
BJM	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.

5. SUBSIDIARY COMPANIES (CONTINUED)

5.1 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.

	JLPL		BFSSB		Total	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current assets	15,713	1,308	14,445	5,142	30,158	6,450
Current assets	5,428	3,882	3,686	2,319	9,114	6,201
Non-current liabilities	(9,170)	-	(11,078)	(921)	(20,248)	(921)
Current liabilities	(14,321)	(5,084)	(1,417)	(743)	(15,738)	(5,827)
Net (liabilities)/assets	(2,350)	106	5,636	5,797	3,286	5,903
Equity attributable to the owners of the parent	(1,528)	101	4,509	4,638	2,981	4,739
Non-controlling interests	(822)	5	1,127	1,159	305	1,164
	(2,350)	106	5,636	5,797	3,286	5,903
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Revenue	21,936	28,560	6,003	7,306	27,939	35,866
Loss for the year/period	(2,496)	(2,258)	(187)	(368)	(2,683)	(2,626)
Other comprehensive income	(9)	41	26	197	17	238
Total comprehensive income for the year/period	(2,505)	(2,217)	(161)	(171)	(2,666)	(2,388)
Loss attributable to the:						
- Owners of the parent	(2,033)	(2,145)	(150)	(294)	(2,183)	(2,439)
- Non-controlling interests	(463)	(113)	(37)	(74)	(500)	(187)
Loss for the year/period	(2,496)	(2,258)	(187)	(368)	(2,683)	(2,626)
Total comprehensive income attributable to:						
- Owners of the parent	(2,036)	(2,106)	(129)	(137)	(2,165)	(2,243)
- Non-controlling interests	(469)	(111)	(32)	(34)	(501)	(145)
Total comprehensive income for the year/period	(2,505)	(2,217)	(161)	(171)	(2,666)	(2,388)
Net cash generated from/(used in)						
- Operating activities	6,092	(783)	2,227	231	8,319	(552)
- Investing activities	(2,884)	(973)	(28)	(3)	(2,912)	(976)
Net change in cash and cash equivalents	3,208	(1,756)	2,199	228	5,407	(1,528)

6. 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
2020						
Net carrying amount						
At beginning of year	429,828	7,646	17,668	47	4,442	459,631
Additions	-	-	2,925	-	1,115	4,040
Amortisation	-	-	(924)	(9)	(2,136)	(3,069)
Impairment	(2,346)	-	-	-	-	(2,346)
Exchange differences	-	-	1	-	-	1
At end of year	427,482	7,646	19,670	38	3,421	458,257
As at 30 June 2020						
Cost	430,367	7,646	27,003	114	10,844	475,974
Accumulated amortisation	-	-	(7,333)	(76)	(7,423)	(14,832)
Accumulated impairment	(2,885)	-	-	-	-	(2,885)
Net carrying amount	427,482	7,646	19,670	38	3,421	458,257
2019						
Net carrying amount						
At beginning of period	429,828	7,646	15,016	58	4,558	457,106
Additions	-	-	3,600	-	1,982	5,582
Amortisation	-	-	(891)	(11)	(2,100)	(3,002)
Write off	-	-	(65)	-	-	(65)
Exchange differences	-	-	8	-	2	10
At end of period	429,828	7,646	17,668	47	4,442	459,631
As at 30 June 2019						
Cost	430,367	7,646	24,077	114	9,729	471,933
Accumulated amortisation	-	-	(6,409)	(67)	(5,287)	(11,763)
Accumulated impairment	(539)	-	-	-	-	(539)
Net carrying amount	429,828	7,646	17,668	47	4,442	459,631

6. INTANGIBLE ASSETS (CONTINUED)

6.1 Impairment testing on goodwill

(1) Allocation of goodwill

Goodwill has been allocated to the Group's CGU identified according to geographical segments as follows:

	Group	
	2020 RM'000	2019 RM'000
Malaysia	422,723	422,723
Singapore	4,759	7,105
	427,482	429,828

(2) 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 a period ranging from three to five years. The key assumptions used for VIU calculations are:

(a) 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.

(b) Discount rate

The discount rates used reflects specific risks relating to the CGU. The significant post-tax discount rates, applied to cash flows, used for identified CGUs are in the range of 10.50% - 11.50% (2019: 11.50% -12.50%).

(3) Sensitivity to changes in assumptions

Should the discount rate increased by 1.00% with all other variables held constant, the carrying amount of the goodwill allocated to Malaysia segment is expected to be impaired by RM31,400,000.

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

(4) Impairment

During the current financial year, the Group carried out impairment assessment and recognised impairment of RM2,346,000 in respect of goodwill allocated to the Singapore segment. Goodwill arising from this segment was impaired as the recoverable amount of the CGU, which was determined based on discounted projected cash flows, was lower than its carrying amount.

6. INTANGIBLE ASSETS (CONTINUED)

6.2 Impairment testing on trademark

(1) 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:

(a) Estimated royalty rate

The estimated royalty rate is determined by referring to actual royalty rate charged to the franchisee.

(b) Discount rate

The discount rate used reflects specific risks relating to the CGU. The significant post-tax discount rate, applied to cash flows, used for the identified CGU is 11.50% (2019: 12.50%).

(2) 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.

7. INVENTORIES

	Group	
	2020	2019
	RM'000	RM'000
At cost		
Food and beverages	20,424	16,742
Inventories for resale	12,401	10,619
Spares and other supplies	9,675	9,798
	42,500	37,159

The cost of inventories recognised as an expense during the financial year of the Group amounted to RM176,848,000 (2019: RM210,444,000).

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current				
Trade receivables				
- external parties	5,729	9,305	-	-
- related companies	575	676	-	-
	6,304	9,981	-	-
Other receivables				
Sundry receivables	3,572	4,564	47	32
Less: Allowance for impairment	(2,253)	(2,253)	-	-
	1,319	2,311	47	32
Deposits	11,380	8,744	-	-
Amount owing by subsidiary companies	-	-	13,244	12,376
	12,699	11,055	13,291	12,408
Other current assets				
Prepayments	3,549	5,306	-	38
Indirect tax recoverable	-	1,098	-	-
	3,549	6,404	-	38
Total current receivables	22,552	27,440	13,291	12,446
Non-current				
Deposits	24,038	24,942	-	-
Total trade and other receivables	46,590	52,382	13,291	12,446

8.1 Trade receivables

The trade receivables are corporate customers and credit card companies which are generally on 6 - 90 (2019: 6 - 90) days term.

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

8.2 Other receivables

(a) Sundry receivables

Sundry receivables are non-interest bearing and generally on 30 to 90 (2019: 30 to 90) days term.

The reconciliation of movements in allowance accounts for sundry receivables is as follows:

	Group	
	2020 RM'000	**2019 RM'000**
At beginning/end of year/period	2,253	2,253

(b) Amounts owing by subsidiary companies

The amounts owing by subsidiary companies are unsecured and repayable on demand. The amount totalling RM13,244,000 (2019: RM9,853,000) is interest bearing.

9. DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Deposits with:				
Licensed banks	8,348	7,488	7,476	7,274

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

	Group		Company	
	2020	**2019**	**2020**	**2019**
Interest rates per annum (%)				
- Licensed banks	1.80 - 2.85	2.85 - 3.05	1.80 - 2.85	2.85
Maturities (days)				
- Licensed banks	13 - 17	4 - 17	13	4

Included in deposits of the Group and of the Company are monies held in debt service reserve accounts amounting to RM7,726,000 (2019: RM7,488,000) and RM7,476,000 (2019: RM7,274,000) respectively.

10. SHARE CAPITAL

	Group and Company			
	Number of shares		Share capital	
	2020 '000	2019 '000	2020 RM'000	2019 RM'000
Issued and fully paid				
At beginning of year/period	382,083	381,859	243,742	243,232
Employees' share options exercised	59	224	109	416
Employees' share options forfeited	-	-	87	94
At end of year/period	382,142	382,083	243,938	243,742

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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Merger deficit (Note a)	(55,087)	(55,087)	-	-
Employees' share plan reserve (Note b)	4,661	4,586	4,661	4,586
Consolidation reserve (Note c)	729	322	-	-
Exchange reserves	879	1,850	-	-
	(48,818)	(48,329)	4,661	4,586
Retained earnings (Note d)	179,976	205,643	56,902	80,042
	131,158	157,314	61,563	84,628

Notes:

(a) Merger deficit

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

(b) Employees' share plan ("ESP") reserve

The ESP reserve represents the equity-settled share options/grants to directors and certain employees of the Group. The ESP 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/grants and is reduced by the expiry or exercise of the share options, or forfeiture of the share options/grants.

(c) Consolidation reserve

The consolidation reserve comprises the consolidation effects of change in the Group's equity interest in a subsidiary company which does not result in loss of control.

(d) Retained earnings

The entire retained earnings of the Company, subject to Section 131 of the Companies Act 2016, is available for distribution as single tier dividends.

12. TREASURY SHARES

	Group and Company Ordinary shares			
	2020 No. of shares '000	2019 No. of shares '000	2020 RM'000	2019 RM'000
At beginning of year/period	23,500	5,019	35,730	7,687
Shares bought back during the year/period	5,399	18,999	7,135	28,805
Reissued for ESS shares vested	(476)	(518)	(720)	(762)
At end of year/period	28,423	23,500	42,145	35,730

Pursuant to an Annual General Meeting held on 10 October 2013, the Company obtained a shareholder's mandate to undertake the purchase of up to 10% of the issued and paid-up share capital of the Company at the time of purchase.

The renewal of the Company's mandate relating to the share buyback of up to 10% of the existing total paid-up share capital, inclusive of all treasury shares that have been bought back, was approved by the shareholders of the Company at the Annual General Meeting held on 5 December 2019.

During the financial year, the Company bought back 5,399,000 (rounded to nearest thousand) shares from the open market at an average price of about RM1.32 per share for a total cash consideration of approximately RM7,135,000 with internally generated funds. The shares bought back are held as treasury shares. During the financial year, 476,000 (rounded to nearest thousand) shares were reissued for the vesting of ESS shares.

The details of the share bought back during the financial year are as follows:

Month	Price per share (RM) Lowest	Highest	Average	Number of shares '000	Total consideration RM'000
November 2019	1.30	1.41	1.38	3,200	4,424
January 2020	1.24	1.30	1.28	280	358
February 2020	1.19	1.29	1.23	1,919	2,353
			1.32	5,399	7,135

13. LONG TERM BORROWINGS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Secured				
Term loan (Note a)	131,257	136,024	131,257	136,024
Portion repayable within 12 months included under short term borrowings (Note 17)	(12,260)	(9,766)	(12,260)	(9,766)
	118,997	126,258	118,997	126,258
Hire purchase payable (Note b)	2,841	1,549	-	-
Portion repayable within 12 months included under short term borrowings (Note 17)	(791)	(407)	-	-
	2,050	1,142	-	-
	121,047	127,400	118,997	126,258

Details of the long term borrowings outstanding are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Amounts repayable:				
More than one year but not later than two years	18,067	15,470	17,349	15,101
More than two years two years but not later than five years	102,980	75,222	101,648	74,449
More than five years	-	36,708	-	36,708
	121,047	127,400	118,997	126,258

Notes:

(a) The secured term loan is secured by way of a fixed charge on the shares of a subsidiary company as disclosed in Note 5 and further secured by monies held by debt service reserve accounts as disclosed in Note 9.

The interest rate per annum at the reporting date for the term loan was 4.67% (2019: 5.64%).

(b) The Group's hire purchase payable bore effective interest rate of 5.35% (2019: 5.35%) per annum.

14. DEFERRED TAX

	Group 2020 RM'000	Group 2019 RM'000
At beginning of the year/period	(5,641)	(3,734)
Recognised in profit or loss	(351)	(1,917)
Exchange differences	-	10
At end of the year/period	(5,992)	(5,641)

Presented after appropriate offsetting as follows:

	Group 2020 RM'000	Group 2019 RM'000
Deferred tax assets	(5,992)	(5,902)
Deferred tax liabilities	-	261
	(5,992)	(5,641)

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

GROUP	**Contract liabilities**	**Property, plant and equipment**	**Others**	**Total**
Deferred Tax Assets	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2020				
At beginning of the year	(16,708)	(1,041)	(2,971)	(20,720)
Recognised in profit or loss	(2,230)	(322)	843	(1,709)
At end of the year	(18,938)	(1,363)	(2,128)	(22,429)
Set-off against deferred tax liabilities				16,437
				(5,992)
2019				
At beginning of the period	(15,042)	(36)	(1,247)	(16,325)
Recognised in profit or loss	(1,666)	(1,005)	(1,724)	(4,395)
At end of the period	(16,708)	(1,041)	(2,971)	(20,720)
Set-off against deferred tax liabilities				14,818
				(5,902)

14. DEFERRED TAX (CONTINUED)

GROUP	Property, plant and equipment	Total
Deferred Tax Liabilities	**RM'000**	**RM'000**
2020		
At beginning of the year	15,079	15,079
Recognised in profit or loss	1,358	1,358
At end of the year	16,437	16,437
Set-off against deferred tax assets		(16,437)
		-
2019		
At beginning of the period	12,591	12,591
Recognised in profit or loss	2,478	2,478
Exchange differences	10	10
At end of the period	15,079	15,079
Set-off against deferred tax assets		(14,818)
		261

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

	Group	
	2020	**2019**
	RM'000	**RM'000**
Unutilised tax losses	4,814	2,354
Unabsorbed capital allowances	9,135	2,551

The availability of the unutilised tax losses and unabsorbed capital allowances are subject to the tax legislation of the respective countries.

Deferred tax asset has not been recognised in respect of unutilised tax losses and 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 unutilised tax losses and unabsorbed capital allowances can be utilised.

The Malaysia Finance Act 2018 gazetted on 27 December 2018 has imposed a time limitation to restrict the carry forward of the unutilised tax losses and unabsorbed reinvestment allowances. The unutilised tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 7 consecutive years of assessment (i.e. from years of assessment 2019 to 2025) and any balance of the unutilised losses thereafter shall be disregarded.

However, for any unutilised tax losses that originated from the year of assessment 2019 onwards, these are allowed to be carried forward for a maximum period of 7 consecutive years of assessment immediately following that originating year of assessment and any balance of the unutilised tax losses thereafter shall be disregarded.

15. PROVISIONS

	Group	
	2020	**2019**
	RM'000	**RM'000**
At beginning of year/period	14,439	13,734
Provision for the year/period	2,363	1,924
Utilisation of provision	(540)	(1,264)
Exchange differences	5	45
At end of year/period	16,267	14,439
At 30 June		
Current	3,648	1,990
Non-current	12,619	12,449
	16,267	14,439

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 non-current liabilities unless the tenancy agreement, for which the restoration is required, expires within 12 months after the reporting date.

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade payables	45,106	44,821	-	-
Other payables				
Sundry payables	43,509	29,969	-	-
Accruals	32,654	30,452	1,578	1,706
Refundable deposit	1,332	1,159	-	-
Amount owing to				
- related companies	146	80	3	2
- subsidiary company	-	-	36,243	28,689
	77,641	61,660	37,824	30,397
Other current liability				
Dividend payables	-	3,586	-	3,586
Indirect tax payable	5,647	6,205	-	-
	5,647	9,791	-	3,586
	128,394	116,272	37,824	33,983

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 - 120 days (2019: 30 - 120 days) term.

(b) Sundry payables

These amounts are non-interest bearing. Sundry payables are normally settled on 30 - 180 days (2019: 30 - 180 days) term.

(c) Accruals

Included in accruals of the Group are accrued royalty expenses, accrual for utilities and retention sums in relation to renovation works for outlets and restaurants.

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

The amounts owing to subsidiary companies are unsecured and repayable on demand. The amount totalling RM25,830,000 (2019: RM28,689,000) is interest bearing.

17. SHORT TERM BORROWINGS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Secured				
Long term loan - portion repayable within 12 months (Note 13)	12,260	9,766	12,260	9,766
Short term loan	15,000	15,000	-	-
Bank overdrafts	828	948	-	-
Revolving credits	160,000	135,000	-	-
Bankers acceptance	1,209	-	-	-
Hire purchase payable (Note 13)				
- portion repayable within 12 months	791	407	-	-
	190,088	161,121	12,260	9,766

The short term loan, revolving credits, bank overdraft and bankers acceptance are secured by corporate guarantees provided by the Company. A short term loan is further secured by monies held by debt service reserve accounts as disclosed in Note 9.

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

	Group		Company	
	2020 %	2019 %	2020 %	2019 %
Secured				
Short term loan	6.30	5.45	-	-
Bank overdrafts	7.63	8.65	-	-
Revolving credits	3.74 - 4.92	4.82 - 5.29	-	-
Bankers acceptance	1.00 - 4.38	-	-	-

18. CONTRACT LIABILITIES

Contract liabilities represents the cash balances in the stored value cards and the deferral in the recognition of revenue relating to the customer loyalty programmes based on the estimated fair value of the free food, beverage or merchandise that is expected to be redeemed. It also represents the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period. The contract liabilities/deferred income will only be recognised when the cash balances are used for purchases or when redemption occurs or upon expiry of the redemption period, and hence the Group applies the practical expedient not to disclose the information pertaining to the timing of revenue recognition from the remaining performance obligations.

	Group	
	2020	**2019**
	RM'000	**RM'000**
At beginning of year/period	69,382	63,235
Deferred during the year/period	365,839	376,243
Recognised during the year/period	(356,461)	(370,096)
At end of year/period	78,760	69,382

19. REVENUE

Revenue consists of the following:

	Group		Company	
	1.7.2019 to 30.6.2020	**1.5.2018 to 30.6.2019**	**1.7.2019 to 30.6.2020**	**1.5.2018 to 30.6.2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue from contract with customers:				
Sale of food, beverages and merchandises	632,919	788,959	-	-
Design fees	20	17	-	-
Other revenue:				
Dividend income from subsidiary company	-	-	25,990	68,770
	632,939	788,976	25,990	68,770
Timing of revenue recognition				
- at a point in time	632,939	788,976		

20. FINANCE COST

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Interest expenses on				
- Bank borrowings	15,607	17,526	6,919	9,385
- Charge out of deferred transaction costs	233	304	233	304
- Amounts due to subsidiary company	-	-	1,609	1,892
- Hire purchase	199	198	-	-
- Lease liabilities (Note 4(b))	18,000	-	-	-
- Loan related expenses	395	487	-	62
	34,434	18,515	8,761	11,643

21. (LOSS)/PROFIT BEFORE TAX

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
(Loss)/Profit before tax is arrived at after charging:				
Directors' remuneration (Note 22)				
- emoluments (excluding benefits-in-kind)	3,023	4,183	554	565
- fees	180	105	180	105
Auditors' remuneration				
- statutory audit fee				
- Ernst & Young PLT	232	252	60	52
- Others	43	45	-	-
- underprovision in prior years	15	17	16	2
- fees for non-audit services	58	40	58	40
Depreciation of:				
- property, plant and equipment	42,521	45,700	2	6
- right-of-use assets	72,504	-	-	-
Amortisation of intangible assets	3,069	3,002	-	-
Royalty expense payable to				
- related company	205	290	-	-
- third party	26,426	39,494	-	-
Staff costs (Note a)	149,789	176,233	215	240
Rental expenses	-	126,960	-	-
Expenses relating to leases:				
- short-term leases	11,501	-	-	-
- leases of low-value assets	529	-	-	-
- relating to variable leases payments not included in the measurement of lease liabilities	9,069	-	-	-
Loss on foreign exchange	326	203	-	-
Other expenses (Note c)	10,055	3,840	31,666	1

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

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	**1.5.2018 to 30.6.2019 RM'000**	**1.7.2019 to 30.6.2020 RM'000**	**1.5.2018 to 30.6.2019 RM'000**
and crediting:				
Gain on foreign exchange	1,155	1,902	-	-
Other income (Note d)	12,036	9,191	659	640

(a) Staff costs consist of the following:

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	**1.5.2018 to 30.6.2019 RM'000**	**1.7.2019 to 30.6.2020 RM'000**	**1.5.2018 to 30.6.2019 RM'000**
Wages, salaries and allowances	109,519	124,781	160	180
Social security costs and employees insurance	1,995	2,318	2	3
Bonuses	3,511	6,596	27	17
Pension costs - defined contribution plans	14,340	16,373	23	37
Provision for short term compensated absences	-	3	-	3
Share-based payments (Note b)	552	999	-	-
Other staff related expenses	19,872	25,163	3	-
	149,789	176,233	215	240

Staff costs exclude remuneration of executive directors.

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

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	**1.5.2018 to 30.6.2019 RM'000**	**1.7.2019 to 30.6.2020 RM'000**	**1.5.2018 to 30.6.2019 RM'000**
Share-based payments for:				
- employees of the Group	552	999	-	-
- directors of the Company	373	663	373	663
	925	1,662	373	663

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

(c) Other expenses

Included in other expenses are the following:

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Impairment in value of:				
- investment in subsidiaries	-	-	31,666	-
- goodwill	2,346	-	-	-
- property, plant and equipment	1,177	184	-	-
- right-of-use-assets	154	-	-	-
Loss on disposal of property, plant and equipment	-	113	-	-
Intangible assets written off	-	65	-	-
Property, plant and equipment written off	6,378	3,477	-	1

(d) Other income

Included in other income are the following:

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Interest income				
- subsidiary company	-	-	466	416
- financial institutions	317	383	193	224
Royalty fee income from a related company	73	142	-	-
Gain on sale of property, plant and equipment	42	17	-	-
Government grant subsidy	2,145	-	-	-
Service charge income	4,251	2,081	-	-

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/period are as follows:

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Directors of the Company				
Executive				
- Salaries and other emoluments	1,438	1,654	148	168
- Bonus	300	510	33	30
- Benefit-in-kind	11	21	-	-
	1,749	2,185	181	198
Non-executive				
- Fees	180	105	180	105
- Other emoluments	373	367	373	367
	553	472	553	472
	2,302	2,657	734	670
Other directors of the Group				
- Salaries and other emoluments	912	1,652	-	-
- Benefit-in-kind	3	14	-	-
	915	1,666	-	-
Total directors' remuneration	3,217	4,323	734	670

23. INCOME TAX EXPENSE

	Group 1.7.2019 to 30.6.2020 RM'000	Group 1.5.2018 to 30.6.2019 RM'000	Company 1.7.2019 to 30.6.2020 RM'000	Company 1.5.2018 to 30.6.2019 RM'000
Current income tax				
- Malaysian tax	11,356	24,306	118	122
- Foreign tax	125	90	-	-
	11,481	24,396	118	122
Under/(over) provision in year/period				
- Malaysian tax	492	(116)	-	-
- Foreign tax	(15)	22	-	-
	477	(94)	-	-
	11,958	24,302	118	122
Deferred tax				
- Relating to origination and reversal of temporary differences	(140)	(2,451)	-	-
- (Over)/under provision in year/period	(211)	534	-	-
	(351)	(1,917)	-	-
Income tax expense	11,607	22,385	118	122

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to (loss)/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 are as follows:

	Group 1.7.2019 to 30.6.2020 RM'000	Group 1.5.2018 to 30.6.2019 RM'000	Company 1.7.2019 to 30.6.2020 RM'000	Company 1.5.2018 to 30.6.2019 RM'000
(Loss)/Profit before tax	(8,479)	46,563	(15,945)	55,307
Applicable tax rate (%)	24	24	24	24
Taxation at applicable tax rate	(2,035)	11,175	(3,827)	13,274
Income not subject to tax	(232)	(89)	(6,238)	(16,505)
Expenses not deductible under tax legislation	10,927	10,307	10,183	3,353
Effect of different tax rate in other countries	198	170	-	-
Effect of withholding tax	21	-	-	-
Deferred tax assets not recognised during the financial year/period	2,462	382	-	-
Under/(over) provision of income tax in prior years	477	(94)	-	-
(Over)/under provision of deferred tax in prior years	(211)	534	-	-
Income tax expense	11,607	22,385	118	122

24. (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing (loss)/profit for the year/period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares with voting rights in issue during the financial year/period.

	Group	
	2020 RM'000	2019 RM'000
(Loss)/Profit attributable to equity holders	(19,582)	24,376
Weighted average number of ordinary shares with voting rights in issue ('000)	356,125	367,150
Basic (loss)/earnings per share (sen)	(5.50)	6.64

(b) Diluted

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

	Group	
	2020 RM'000	2019 RM'000
(Loss)/Profit attributable to equity holders	(19,582)	24,376
Weighted average number of ordinary shares with voting rights in issue ('000)	356,125	367,150
Assumed shares issued from the		
- exercise of ESS options ('000)	-	1,074
- vesting of ESS share ('000)	1,044	1,577
- vesting of ESS share - 2nd offer ('000)	83	-
- vesting of ESS share - 3rd offer ('000)	36	-
Adjusted weighted average number of ordinary shares with voting rights in issue ('000)	357,288	369,801
Diluted (loss)/earnings per share (sen)	+	6.59

Note:

\+ Not disclosed as the computation of diluted loss per share has the effect of anti-dilutive.

25. DIVIDENDS

	Company			
	1.7.2019 to 30.6.2020 Dividend per share Sen	1.7.2019 to 30.6.2020 Dividend RM'000	1.5.2018 to 30.6.2019 Dividend per share Sen	1.5.2018 to 30.6.2019 Dividend RM'000
Recognised during the year/period:				
in respect of prior financial year				
- Nil (30.6.2019: 4th interim dividend of 1.0 sen single-tier dividend)	-	-	1.00	3,769
in respect of current financial year/period				
- 1st interim dividend of 1.0 sen single-tier dividend (30.6.2019: 1st interim dividend of 1.0 sen single-tier dividend)	1.00	3,559	1.00	3,650
- 2nd interim dividend of 1.0 sen single-tier dividend (30.6.2019: 2nd interim dividend of 1.0 sen single-tier dividend)	1.00	3,537	1.00	3,629
- Nil (30.6.2019: 3rd interim dividend of 1.0 sen single-tier dividend)	-	-	1.00	3,617
- Nil (30.6.2019: 4th interim dividend of 1.0 sen single-tier dividend)	-	-	1.00	3,586
	2.00	7,096	5.00	18,251

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.

26. SEGMENTAL INFORMATION (CONTINUED)

Results	2020 RM'000	2019 RM'000
Malaysia	31,431	69,780
Singapore	(1,493)	(2,258)
Other South-East Asian countries	213	(368)
	30,151	67,154
Unallocated corporate expenses	(2,167)	(2,459)
	27,984	64,695
Investment related income		
- interest income	317	383
	28,301	65,078
Investment related expenses		
- Impairment loss on goodwill	(2,346)	-
	25,955	65,078
Finance costs	(34,434)	(18,515)
(Loss)/Profit before tax	(8,479)	46,563
Income tax expenses	(11,607)	(22,385)
(Loss)/Profit for the year/period	(20,086)	24,178

	Revenue RM'000	Capital expenditure RM'000	Assets RM'000	Liabilities RM'000
2020				
Malaysia	605,000	107,624	725,591	548,683
Singapore	21,936	863	21,141	23,491
Other South-East Asian countries	6,003	28	18,131	12,495
	632,939	108,515	764,863	584,669
Unallocated items	-	-	464,249	311,135
Total	632,939	108,515	1,229,112	895,804
2019				
Malaysia	753,110	95,483	378,756	194,385
Singapore	28,560	1,087	5,100	5,084
Other South-East Asian countries	7,306	3	7,461	2,055
	788,976	96,573	391,317	201,524
Unallocated items	-	-	465,533	288,782
Total	788,976	96,573	856,850	490,306

27. EMPLOYEES' SHARE SCHEME

The Company implemented an Employees' Share Scheme ("ESS" or "Scheme") which came into effect on 18 November 2016 for a period of 5 years to 17 November 2021. The ESS may be extended for a maximum period of five (5) years if so recommended by the ESS Committee and approved at the discretion of the board. The ESS is governed by the By-Laws which were approved by the shareholders on 5 October 2016.

The main features of the Scheme for ESS are as follows:

(a) The aggregate maximum number of ESS Shares and ESS Options that may be granted to any eligible director or employee of the Group shall be determined by the ESS Committee provided that:

(i) the directors (including non-executive directors) and eligible employees do not participate in the deliberation and discussion of their own allocation and the allocation to any person connected with them;

(ii) no allocation of more than seventy percent (70%) of the total of ESS Shares and ESS Options shall be made in aggregate to the directors and/or senior management of the Group; and

(iii) no allocation of more than ten percent (10%) of the ESS Shares and ESS Options shall be made to any eligible directors or employee of the Group who, either singly or collectively through persons connected with them, hold more than twenty percent (20%) of the issued and paid-up share capital of the Company (excluding treasury shares, if any).

(b) An eligible employee shall pay a sum of RM1.00 as consideration for acceptance of that offer. The ESS options shall be exercisable at a price which is 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.

(c) The ESS Committee may in its absolute discretion and subject to compliance with the provisions of the Act and the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, decide that the ESS Shares to be satisfied by issuance of new ordinary shares of the Company, acquisition of existing issued ordinary shares of the Company from the market, payment of cash or a combination of the above.

(d) The Company establish a Trust to be administered by a trustee consisting of such trustee appointed by the Company ("Trustee") from time to time for the purposes of subscribing for new ordinary shares of the Company and/or acquiring existing issued ordinary shares of the Company and transferring to the participants at such time as the ESS Committee shall direct.

(e) The new ordinary shares issued upon the ESS will be subject to all the provisions of the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and shall rank pari passu in all respects with the existing issued ordinary shares of the Company, save and except that the new shares shall not be entitled for any dividends, rights, allotments and/or other distribution in respect of which the entitlement date is prior to the allotment of the new shares to the Trustee.

(f) The existing issued ordinary shares procured pursuant to the ESS shall rank pari passu in all respect with the existing issued ordinary shares of the Company, save and except that the Trustee shall not be entitled for any dividends, rights, allotments and/or other distribution in respect of which the entitlement date is prior to the date on which the existing issued ordinary shares of the Company are credited into the CDS Account of the Trustee.

27. EMPLOYEES' SHARE SCHEME (CONTINUED)

(i) ESS Options

The grant date and exercise price of the ESS Options are as follows:

	Grant date	Exercise price
First offer	6.2.2017	RM1.44
Second offer	14.10.2019	RM1.27
Third offer	16.12.2019	RM1.25

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

	Company				
	1st Offer Units '000	2nd Offer Units '000	3rd Offer Units '000	Total Units '000	WAEP (RM)
Outstanding at beginning of year	8,439	-	-	8,439	1.44
- Granted	-	333	80	413	1.27
- Forfeited	(343)	-	-	(343)	1.44
- Exercised	(59)	-	-	(59)	1.44
Outstanding at end of year	8,037	333	80	8,450	1.43
Exercisable at end of year	5,716	148	-	5,864	

- The weighted average share price at the date of exercise of the ESS Options exercised during the financial year was RM1.61 per share.
- The remaining contractual life for the ESS Options is 1.38 years.

The fair value of the ESS 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 and the respective fair value:

	1st Offer	2nd Offer	3rd Offer
Dividend yield (%)	4.03	2.78	3.01
Expected volatility (%)	32.53	31.33	31.33
Risk-free interest rate (% p.a)	3.70	2.96	2.96
Expected life of options (Years)	4.85	2.05	1.92
Underlying share price (RM)	1.55	1.44	1.33
Fair value	0.41	0.32	0.25

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

27. EMPLOYEES' SHARE SCHEME (CONTINUED)

(ii) ESS Shares

The following table illustrates the number and movements in ESS Shares during the financial year:

	Company			
	1st Offer Units '000	2nd Offer Units '000	3rd Offer Units '000	Total Units '000
Balance at beginning of year	1,577	-	-	1,577
- Granted	-	83	36	119
- Vested	(477)	-	-	(477)
- Forfeited	(56)	-	-	(56)
Balance at end of year	1,044	83	36	1,163

The fair value of ESS Shares is determined using binominal 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 and the respective fair value:

	1st Offer	2nd Offer	3rd Offer
Grant date	6.2.2017	14.10.2019	3.1.2020
Dividend yield (%)	4.03	2.78	3.01
Expected volatility (%)	32.53	31.33	31.33
Risk-free interest rate (% p.a)	3.70	2.96	2.96
Expected life of options (Years)	4.85	2.05	1.92
Underlying share price (RM)	1.55	1.44	1.33
Fair value	1.55	1.44	1.33

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	
	Note	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Management fees payable to BCorp		300	350	300	350
Purchase of cleaning material from Kimia Suchi Marketing Sdn Bhd	a	123	178	-	-
Promotion and advertising expenses charged by Sun Media Corporation Sdn Bhd	b	166	479	34	63
Loyalty reward charges and reload card payable to BLoyalty Sdn Bhd	a	319	396	-	-
Rental of premises payable to Berjaya Times Square Sdn Bhd*	b	1,485	1,699	-	-
Security guard services payable to Berjaya Guard Services Sdn Bhd	a	458	377	-	-
Sales of products to 7- Eleven Malaysia Sdn Bhd	c	3,330	5,002	-	-
Procurement of advertising services charged by 7- Eleven Malaysia Sdn Bhd	c	1,098	313	-	-
Purchase of a property unit from Deru Klasik Sdn Bhd	d	-	12,435	-	-

Notes:
(a) Subsidiary company of BCorp group.
(b) Associate company of BCorp group.
(c) 7-Eleven Malaysia Sdn Bhd is a wholly-owned subsidiary of 7-Eleven Malaysia Holdings Berhad. Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT"), a major shareholder of BCorp, is a deemed major shareholder of 7-Eleven Malaysia Sdn Bhd by virtue of his direct and indirect interests in 7-Eleven Malaysia Holdings Berhad.
(d) A company where Chryseis Tan Sheik Ling, a director of the Company has interest.

* The expense relating to this lease that is recognised in the current year's profit or loss is different from the rental payable as this lease is accounted for under MFRS 16.

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.

29. KEY MANAGEMENT PERSONNEL COMPENSATION

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

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Short-term benefits	2,956	3,904	674	614
Post-employment benefits	261	419	60	56
Share-based payment	373	663	373	663
	3,590	4,986	1,107	1,333

30. COMMITMENTS

	Group	
	2020 RM'000	2019 RM'000
Capital expenditure		
Property, plant and equipment		
- approved and contracted for	9,583	15,583
- approved but not contracted for	4,230	6,915
	13,813	22,498
Licence fees	535	1,330
	14,348	23,828

31. FINANCIAL GUARANTEES

The Company provided corporate guarantees to certain financial institutions for credit facilities granted to its subsidiary companies. The Company has assessed and regarded that the credit enhancements provided by these guarantees are minimal. As such, the Company did not ascribe any values to these corporate guarantees.

32. FINANCIAL INSTRUMENTS

32.1 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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Financial assets				
Amortised costs				
Trade and other receivables	43,041	45,978	13,291	12,408
Deposits with financial institutions	8,348	7,488	7,476	7,274
Cash and bank balances	18,864	14,971	86	222
Total financial assets	70,253	68,437	20,853	19,904
Financial liabilities				
Amortised costs				
Trade and other payables	122,747	106,481	37,824	30,397
Lease liabilities	361,133	-	-	-
Long term borrowing	121,047	127,400	118,997	126,258
Short term borrowings	190,088	161,121	12,260	9,766
Total financial liabilities	795,015	395,002	169,081	166,421

32.2 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
Lease liabilities	4
Trade and other receivables	8
Long term borrowing	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 lease liability is estimated by discounting expected future cash flows at IBR for similar type of leasing arrangement at reporting date.

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.

33.1 Market risk

(1) 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 were:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Fixed rate instruments				
Financial assets	8,348	7,488	20,720	17,127
Financial liabilities	2,841	1,549	25,830	28,689
Floating rate instruments				
Financial liabilities	308,294	286,972	131,257	136,024

Fair value sensitivity analysis for fixed rate instruments

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

Sensitivity analysis for interest rate risk

A change of 25 basis points in interest rates at the reporting date would result in change in profit or loss before tax of the Group and of the Company to be higher/lower by RM771,000 (2019: RM717,000) and by RM328,000 (2019: RM340,000), respectively. This analysis assumes that all the other variables remain constant.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

33.1 Market risk (continued)

(2) 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 mainly exposed to United States Dollar ("USD"). 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 companies	**USD**
	RM'000
As at 30 June 2020	
Trade and other payables	
RM	21,995
As at 30 June 2019	
Trade and other payables	
RM	19,552
Brunei Dollar ("BND")	113
	19,665

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 RM exchange rates, against the respective functional currencies of the Group entities, with all other variables remain constant:

Increase/(decrease) to profit for the year/period		**2020 RM'000**	**2019 RM'000**
USD/RM	- strengthened 10%	(1,672)	(1,486)
	- weakened 10%	1,672	1,486
USD/BND	- strengthened 10%	-	(9)
	- weakened 10%	-	9

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

33.2 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 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.

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.

Trade receivables

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.

The ageing analysis of the trade receivables using simplified approach is as follows:

	Group	
	2020 RM'000	**2019 RM'000**
Current	4,544	8,230
1 to 30 days	172	743
31 to 60 days	288	184
61 to 90 days	919	120
More than 90 days	381	704
	1,760	1,751
	6,304	9,981

Impairment for trade receivables are recognised based on the simplified approach. Impairment is recognised against trade receivables over their credit period based on estimated amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. The Group's trade receivables are credit card companies and corporate customers. The Group considers the credit card companies have low credit risk, and there was no default payment record for the corporate customers, hence no impairment was provided on the trade receivables.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

33.2 Credit risk (continued)

Other receivables

Other receivables are also subject to the impairment requirement of MFRS. The identified impairment loss was immaterial and hence, it is not provided for in the current financial period. There was an impairment loss provided on the sundry receivables in the previous year end as disclosed in Note 8 as there was default of payments.

Amount owing by subsidiaries companies

The Company applied the 3-stage general approach to measuring expected credit losses for all intercompany balances. Generally, the Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loan and advance when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

33.3 Liquidity risk

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

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

As at 30 June 2020, the net current liabilities of the Group and of the Company was RM362,116,000 (2019: RM259,277,000) and RM29,221,000 (2019: RM23,792,000) respectively. Despite the net current liabilities position of the Group and the Company, the directors believe the Group and the Company are able to generate sufficient cash flows from operations as well as to refinance its short term borrowings to meet their obligations in the next 12 months. On this basis, the directors have prepared the financial statements of the Group and the Company on a going concern basis.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

33.3 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
2020				
Financial liabilities				
Trade and other payables	122,747	-	-	122,747
Lease liabilities	79,200	215,222	143,409	437,831
Borrowings	195,679	136,295	-	331,974
	397,626	351,517	143,409	892,552
2019				
Financial liabilities				
Trade and other payables	110,067	-	-	110,067
Borrowings	168,022	111,596	38,201	317,819
	278,089	111,596	38,201	427,886

Company	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
2020				
Financial liabilities				
Trade and other payables	37,824	-	-	37,824
Borrowings	18,445	133,949	-	152,394
	56,269	133,949	-	190,218
2019				
Financial liabilities				
Trade and other payables	33,983	-	-	33,983
Borrowings	17,487	110,296	38,201	165,984
	51,470	110,296	38,201	199,967

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's 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	
	2020 RM'000	2019 RM'000
Long term borrowings	121,047	127,400
Short term borrowings	190,088	161,121
Total debt	311,135	288,521
Total equity	333,308	366,544
Gearing ratio	93.35%	78.71%

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

35 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The COVID-19 pandemic has had a negative impact on the Group's performance for the financial year ended 30 June 2020 due to the lockdown measures implemented by countries where the Group has business operations.

Many countries have implemented various lockdown measures as preventive response to control and curtail the outbreak of the COVID-19 pandemic. The measures taken by the Malaysian Government to contain the spread of the pandemic, included implementing the Movement Control Order ("MCO"), travel bans, quarantines, social distancing, and closures of non-essential services. The MCO imposed by the Malaysian Government was effective from 18 March 2020. Subsequently, the Malaysian Government eased the lockdown restrictions on 4 May 2020 under the Conditional MCO ("CMCO"), and followed by the Recovery MCO from 10 June until 31 August 2020, which was subsequently extended to 31 December 2020.

The Group's principal activities involve the operation of restaurant and café chains which are amongst the listed essential services allowed to operate during the MCO and CMCO periods. Despite that the Group's principal operations were allowed to be operated during these periods, Malaysians were restricted from leaving their homes. Consequently, the Group's sales reduced significantly as the Group's sales were carried out via delivery only during these periods. Other than Malaysian's movement was restricted, the Group was also restricted from operating at its full capacity, such as shorter operating hours and the reduced number of operating store during this period, reduced seating arrangement due to social distancing measures etc.

The Group has taken into consideration of the uncertainty associated with the COVID-19 pandemic in the assumptions applied in the impairment assessment of the assets of the Group during the current financial year, and the assessment led to the recognition of impairment losses on certain assets as disclosed in the financial statements.

At the date of authorisation of the financial statements, the COVID-19 pandemic situation is still evolving and uncertain. The Group will continue to actively monitor and manage its funds and operations to minimise the impact arising from the COVID-19 pandemic.

36. SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

On 19 August 2020, BFI, a wholly owned subsidiary company of the Company completed the subscription for 50,100 new ordinary shares representing 50% of the enlarged issued share capital of Ser Vegano Sdn Bhd ("SER") for a total cash subscription price of RM250,000 or approximately RM4.99 per SER share. Consequently, SER became a 50%-owned subsidiary company of BFI. SER operates Latin-inspired, Tex-Mex, plant-based vegan restaurants under the name "Sala".

37. COMPARATIVES

The previous financial period consist of 14 months as the Company changed its financial year end from 30 April 2019 to 30 June 2019. The current financial statements of the Group and of the Company are prepared for a period of twelve (12) months from 1 July 2019 to 30 June 2020. As a result, the comparative information stated in the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows and the related notes to the financial statements, which were prepared for a period of fourteen (14) months, are not comparable.

Report on the audit of financial statements

Opinion

We have audited the financial statements of Berjaya Food Berhad, which comprise the statements of financial position as at 30 June 2020 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 64 to 139.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020, and of their financial performance and their 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 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. The key audit matters for the audit of the financial statements of the Group and of the Company are described below. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For each matter below, our description of how our audit addressed the matter is provided in that content.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

Key audit matters in respect of audit of the financial statements of the Group

1. <u>Impairment of Goodwill in Berjaya Starbucks Coffee Company Sdn Bhd</u>
(refer to Note 6 to the financial statements – Intangible Assets)

Goodwill in BStarbucks amounting to RM422,005,000, formed 38% and 34% of non-current assets and total assets of the Group as at 30 June 2020, respectively.

Goodwill is subject to an annual impairment test. The Group estimates the recoverable amount of a cash generating unit ("CGU") based on value-in-use ("VIU"). Estimating the VIU of the CGU involves assumptions made by the management relating to the future cash inflows and outflows that will be derived from the CGU, and discounting them at an appropriate rate. The cash flow forecasts, which have been approved by the Board of Directors, contain a number of significant judgements and estimates including estimates on revenue growth rate, discount rate and terminal growth rate.

We consider this to be an area of focus for our audit as the amounts involved are significant, the assessment process is complex and involves significant management judgements about future market and economic conditions.

Our procedures to address this area of focus include, amongst others, the following:

- Obtaining an understanding of the relevant internal controls over the process of estimating the recoverable amounts of the CGUs;
- Evaluating the appropriateness of the methodology and approach applied, and considered whether it is commonly used in the industry;
- Checking the basis of preparing the cash flow forecasts by taking into consideration the assessment of management's historical budgeting accuracy;
- Evaluating whether key assumptions which comprise the revenue growth rate and terminal growth rate are reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of economic growth in Malaysia;

Key audit matters in respect of audit of the financial statements of the Group (cont'd.)

1. <u>Impairment of Goodwill in Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") (cont'd.)</u>

Our procedures to address this area of focus include, amongst others, the following:

- Challenging whether the rate used in discounting the future cash flows to its present value was appropriate. This included an assessment of the specific inputs to the discount rate, including the risk-free rate, equity risk premium and beta, along with gearing and cost of debt. Such inputs were benchmarked to equivalent data for peer companies; and
- Analysing the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions to the recoverable amount.

We have also evaluated the adequacy of the disclosures concerning those key assumptions to which the outcome of the impairment test is most sensitive. The disclosures on key assumptions and sensitivities are included in Note 6 to the financial statements.

2. <u>Adoption of MFRS 16 Leases</u>

(refer to Note 2.3 to the financial statements)

The Group adopted MFRS 16 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. The application of the new standard gives rise to a right-of-use assets of RM351,615,000 and a corresponding increase in lease liabilities of RM361,133,000 in the financial statements of the Group as at 30 June 2020.

The application of this new accounting standard requires judgements to be made in policy elections such as transition approach and practical expedients. The measurement of the right-of-use assets and lease liabilities are based on assumptions such as incremental borrowing rates ("IBR") and lease terms, including termination and renewal options. The Group implemented new processes to identify and process all relevant data to measure the right-of-use assets and the corresponding lease liabilities. These factors, together with the material nature of the balances recorded on application of MFRS 16, are significant to our audit.

Our procedures to address this area of focus include, amongst others, the following:

- Evaluating management's implementation process, which included obtaining an understanding of the transition practical expedients selected by management and management's process of ensuring the completeness and accuracy of the lease contracts identified.

Key audit matters in respect of audit of the financial statements of the Group (cont'd.)

2. <u>Adoption of MFRS 16 Leases (cont'd.)</u>

Our procedures to address this area of focus include, amongst others, the following:

- Corroborating, on a sample basis, the accuracy of the inputs in the lease accounting computation to the underlying lease contracts.
- Evaluating management's key assumptions on the discount rates by assessing against the incremental borrowing rate for similar terms.
- Evaluating the reasonableness of the lease terms, including assessing whether options to renew or terminate the leases are reasonably certain to be exercised.
- Recalculating the amounts of right-of-use asset, lease liabilities, interest expenses and amortisation expenses.

We have also evaluated the adequacy of the disclosures concerning those assumptions on the Group's leases. The disclosures on assumptions are included in Note 2.5a(i) and Note 2.5(b)(iii) to the financial statements.

Key audit matters in respect of audit of the financial statements of the Company

1. <u>Impairment assessment of investments in subsidiary companies</u>

(refer to Note 5 to the financial statements)

As at 30 June 2020, the carrying amount of the investments in subsidiary companies of the Company amounted to RM411,574,000, representing 100% and 95% of the Company's total non-current assets and total assets respectively.

At the reporting date, the Company reviewed its investments in subsidiary companies for indications of impairment and where such indications exist, the Company performed an impairment assessment to determine the recoverable amounts of such investments. The Company estimated the recoverable amount of the respective CGUs based on their fair value less cost to sell or their respective VIU, whichever is higher. Estimating the VIU of the CGUs involved estimates made by management relating to the future cash inflows and outflows that will be derived from the CGUs, and discounting them at the appropriate rate. The cash flow forecasts, included a number of significant judgements and estimates such as the revenue growth rate, discount rate and terminal growth rate.

We consider this to be an area of focus for our audit as the amounts involved are significant, the assessment process is complex and involves significant management's judgements about future market and economic conditions and changes in assumptions may lead to a significant change in the recoverable amount of the investments in subsidiary companies.

Key audit matters in respect of audit of the financial statements of the Company (cont'd.)

1. <u>Impairment assessment of investment in subsidiary companies (cont'd.)</u>

Our procedures to address this area of focus included, amongst others, the following:

- Obtaining an understanding of the relevant internal controls over the process of estimating the recoverable amounts of the CGUs;
- Evaluated the appropriateness of the methodology and key assumptions applied;
- Checked the basis of preparing the cash flow forecasts taking into consideration the assessment of management's historical budgeting accuracy;
- Evaluating whether key assumptions which comprised the revenue growth rate, discount rate and terminal growth rate were reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of the economic growth;
- Assessing whether the rate used in discounting the future cash flows to its present value was appropriate. This included an assessment of the specific inputs to the discount rate, including the risk-free rate, equity risk premium and beta, along with gearing and cost of debt. Such inputs were benchmarked either against risk rates in specific market in which the respective subsidiary company operates or equivalent data for peer companies;
- Analysing the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions to the recoverable amount.

We have also evaluated the adequacy of the note disclosures concerning those key assumptions to which the outcome of the impairment test was most sensitive. The disclosures on key assumptions and sensitivities are included in Note 5 to the financial statements.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the Group's 2020 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. The Group's 2020 Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Information other than the financial statements and auditors' report thereon (cont'd.)

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ERNST & YOUNG PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

NG KIM LING
No. 03236/04/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
Date: 7 October 2020

RECURRENT RELATED PARTY TRANSACTIONS

OF A REVENUE OR TRADING NATURE FOR THE YEAR ENDED 30 JUNE 2020

Berjaya Food Berhad ("BFood") Group with the following Related Parties	Nature of transactions undertaken by BFood and/or its unlisted subsidiaries	Amount transacted from 1.7.2019-30.6.2020 (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, internal audit and general administrative services.	300
Berjaya Registration Services Sdn Bhd	Receipt of share registration services and other related services by BFood.	55
Berjaya Books Sdn Bhd	Rental payable by Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") at RM13,992 per month or based on 13.5% of monthly net sales generated, whichever is higher, for renting part the floor space at Lot S-209, 2nd Floor, The Gardens Mall, Lingkaran Syed Putra, Mid Valley City, 59200 Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	167
Berjaya Education Sdn Bhd	Receipt of education and staff training services by BFood Group.	33
BLoyalty Sdn Bhd	Procurement of reload card and other related services by Berjaya Roasters (M) Sdn Bhd ("BRoasters").	76
	Loyalty reward charges payable by BFood Group.	243
Beam Team Sdn Bhd	Procurement of digital advertising services by BFood Group.	135
Roasters Asia Pacific (M) Sdn Bhd	Royalty fee payable by BRoasters.	205
	Income receivable by BRoasters pursuant to the rights awarded for granting of franchises to the Independent Franchisees.	73
Securexpress Services Sdn Bhd	Provision of transportation services to BFood Group.	38
Kimia Suchi Marketing Sdn Bhd	Purchase of cleaning chemical products by BRoasters.	123
E.V.A. Management Sdn Bhd	Receipt of human resource management services by BFood Group.	13
Wangsa Tegap Sdn Bhd	Rental payable by BStarbucks at RM31,830 per month or 15% of monthly net sales generated, whichever is higher, for renting of shoplot at Lot 1-1-1A, Menara Bangkok Bank, Laman Sentral Berjaya, No.1, Jalan Ampang, 50450 Kuala Lumpur.	382
Total		**1,843**

RECURRENT RELATED PARTY TRANSACTIONS

OF A REVENUE OR TRADING NATURE FOR THE YEAR ENDED 30 JUNE 2020

Berjaya Food Berhad ("BFood") Group with the following Related Parties	Nature of transactions undertaken by BFood and/or its unlisted subsidiaries	Amount transacted from 1.7.2019-30.6.2020 (RM'000)
Berjaya Land Berhad ("BLand") and its unlisted subsidiaries:-		
Cempaka Properties Sdn Bhd	Rental payable at RM6,002 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.	74
	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.	10
	Rental payable by BStarbucks at RM12,397 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.	192
	Rental payable by BStarbucks at RM283 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.	4
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.	120
Nural Enterprise Sdn Bhd	Rental payable by BStarbucks at RM3,500 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 two years and renewable thereafter.	32
	Rental payable by BStarbucks at RM6,200 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 two years and renewable thereafter.	75
	Rental payable by BStarbucks at RM2,800 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 two years and renewable thereafter.	34
Berjaya Guard Services Sdn Bhd	Receipt of security guard services by BStarbucks.	458

RECURRENT RELATED PARTY TRANSACTIONS

OF A REVENUE OR TRADING NATURE FOR THE YEAR ENDED 30 JUNE 2020

Berjaya Food Berhad ("BFood") Group with the following Related Parties	Nature of transactions undertaken by BFood and/or its unlisted subsidiaries	Amount transacted from 1.7.2019-30.6.2020 (RM'000)
Berjaya Land Berhad ("BLand") and its unlisted subsidiaries:- (continued)		
ANSA Hotel KL 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.	1,054
Berjaya Golf Resort Berhad	Rental payable by BStarbucks at RM1,116 per month for renting of shoplot at Lot 42, Upper Ground Floor, Jalil Link 2, No.5, Jalan Jalil Perkasa 1, Bukit Jalil, 57000 Kuala Lumpur. Tenure of rental is for a period of 2 years and renewable thereafter.	13
Total		**2,066**
Berjaya Assets Berhad ("BAssets") and its unlisted subsidiaries:-		
Berjaya Times Square Sdn Bhd	Rental payable at RM31,705 per month for renting of shoplot by BRoasters at Lot 03-85, 3rd 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.	385
	Rental payable at RM1,134 per month for renting of walkway area by BRoasters adjacent to Lot 03-85A, 3rd 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.	14
	Rental payable at RM21,248 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.	255
	Rental payable at RM23,400 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.	8
	Rental payable at RM1,240 per month for renting of store room by BStarbucks at Lot 10-10E, 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.	15

RECURRENT RELATED PARTY TRANSACTIONS

OF A REVENUE OR TRADING NATURE FOR THE YEAR ENDED 30 JUNE 2020

Berjaya Food Berhad ("BFood") Group with the following Related Parties	Nature of transactions undertaken by BFood and/or its unlisted subsidiaries	Amount transacted from 1.7.2019-30.6.2020 (RM'000)
Berjaya Assets Berhad ("BAssets") and its unlisted subsidiaries:- (continued)		
	Rental payable by BStarbucks at RM4,716 per month for renting of office at Lot 10-01E (expansion area), 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.	38
	Rental payable at RM12,908 per month for renting of walkway areas by BStarbucks at Lot No. G-09C and G-09D, G-09E and G-09G 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.	143
	Rental payable at RM16,121 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.	188
	Rental payable at RM15,008 per month for renting of office by BStarbucks at Lot 10-01E 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.	180
BTS Car Park Sdn Bhd	Parking charges payable by BFood Group.	119
Berjaya Waterfront Sdn Bhd	Rental payable at RM8,316 per month or based on 12% of monthly gross sales generated, whichever is higher, for renting of shoplot by BStarbucks at Lot 1.31 to 1.33, Level 1, Berjaya Waterfront Complex, No.88, Jal;an Ibrahim Sultan Stulang Laut, 80300 Johor Bahru. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	95
	Rental payable at RM1,461 per month or based on 5% of monthly gross sales generated, whichever is higher, for renting of shoplot by BRoasters at Lots 1.29 & 1.30, Level 1, Berjaya Waterfront Complex, No.88, Jal;an Ibrahim Sultan Stulang Laut, 80300 Johor Bahru. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	18
Total		**1,717**

RECURRENT RELATED PARTY TRANSACTIONS

OF A REVENUE OR TRADING NATURE FOR THE YEAR ENDED 30 JUNE 2020

Berjaya Food Berhad ("BFood") Group with the following Related Parties	Nature of transactions undertaken by BFood and/or its unlisted subsidiaries	Amount transacted from 1.7.2019-30.6.2020 (RM'000)
Berjaya Media Berhad ("BMedia") and its unlisted subsidiaries:-		
Sun Media Corporation Sdn Bhd	Procurement of advertising and publishing services by BFood Group.	166
Total		**166**
Other related companies:-		
Qinetics Services Sdn Bhd (a)	Purchase of hardware, software and network equipment, maintenance and management services by BFood Group.	90
7-Eleven Malaysia Sdn Bhd (7-Eleven) (b)	Income receivable by Berjaya Food Trading Sdn Bhd ("BFT") for sale of bottled beverage and consumable products.	3,330
	Procurement of advertising services by BFT.	1,098
Total		**4,518**
Grand total		**10,310**

Notes:

a. Qinetics Services Sdn Bhd is a wholly-owned subsidiary of Qinetics Solutions Sdn Bhd which in turn is an 83.97%-owned subsidiary of MOL.com Sdn Bhd. Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT") is a deemed Major Shareholder of Qinetics Services Sdn Bhd by virtue of his 81.17% direct interest in MOL.com Sdn Bhd.

b. 7-Eleven is a wholly-owned subsidiary of 7-Eleven Malaysia Holdings Berhad. TSVT is a deemed Major Shareholder of 7-Eleven by virtue of his direct and indirect interests in 7-Eleven Malaysia Holdings Berhad.

OTHER INFORMATION

Material Contracts

Other than as disclosed in Notes 8, 16, 19, 21, 28 and 30 to the financial statements for the financial year ended 30 June 2020, 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 June 2020 amounted to RM58,000.

Additional Disclosures

The Company had granted Employees' Share Scheme ("ESS") which comprises ESS Options and ESS Shares governed by the By-Laws that was approved by the Company's shareholders at the Extraordinary General Meeting held on 5 October 2016. The ESS is to be in force for a period of five (5) years from 18 November 2016. There is one (1) ESS in existence during the financial year ("FYE") ended 30 June 2020 with information as follows:-

	Total ESS Options		Total ESS Shares		Grand Total	
	During FYE 30-Jun 2020	Since Commencement on 18 November 2016	During FYE 30-Jun 2020	Since Commencement on 18 November 2016	During FYE 30-Jun 2020	Since Commencement on 18 November 2016
Total number of options and shares granted	413,000	12,557,800	119,250	3,155,450	532,250	15,713,250
Total number of options and and shares vested	2,055,840	8,735,480	476,520	1,417,880	2,532,360	10,153,360
Total number of options and shares exercised	86,100	1,751,760	-	-	86,100	1,751,760
Total options and shares outstanding	8,449,040	8,449,040	1,163,070	1,163,070	9,612,110	9,612,110

	Total ESS Options		Total ESS Shares		Grand Total	
Granted to Directors	During FYE 30-Jun 2020	Since Commencement on 18 November 2016	During FYE 30-Jun 2020	Since Commencement on 18 November 2016	During FYE 30-Jun 2020	Since Commencement on 18 November 2016
Total number of options and shares granted	80,000	2,160,000	36,000	556,000	116,000	2,716,000
Total number of options and and shares vested	416,000	2,368,000	104,000	286,000	520,000	2,654,000
Total number of options and shares exercised	0	252,000	-	-	-	252,000
Total options and shares outstanding	1,908,000	1,908,000	374,000	374,000	2,282,000	2,282,000

	Total ESS Options		Total ESS Shares		Grand Total	
Granted to Directors & Senior Management	During FYE 30-Jun 2020	Since Commencement on 18 November 2016	During FYE 30-Jun 2020	Since Commencement on 18 November 2016	During FYE 30-Jun 2020	Since Commencement on 18 November 2016
Aggregate maximum allocation in percentage	19.37	48.55	30.19	48.81	21.79	48.60
Actual percentage granted	19.37	47.33	30.19	47.59	21.79	47.38

MATERIAL PROPERTIES OF THE GROUP

AS AT 30 JUNE 2020

Location	Tenure	Size	Estimated age of building	Date of acquisition	Net book value (RM'000)
No. G-09A, Ground Floor, Berjaya Times Square, No.1, Jalan Imbi, 55100 Kuala Lumpur	Freehold	161 sq m	17 years	2/9/2016	16,908
No. G-09B, Ground Floor, Berjaya Times Square, No.1, Jalan Imbi, 55100 Kuala Lumpur	Freehold	77 sq m	17 years	11/10/2018	12,465

STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 1 OCTOBER 2020

The Company	Number of ordinary shares			
	Direct Interest	%	Deemed Interest	%
Sydney Lawrance Quays	536,000	0.15	19,000#	0.01
Tan Thiam Chai	489,800	0.14	-	-
Datuk Zainun Aishah Binti Ahmad	213,800	0.06	-	-
Dato' Mustapha Bin Abd Hamid	135,000	0.04	-	-

	Number of ordinary shares under Employees' Share Scheme ("ESS")			
	Direct Interest	%	Deemed Interest	%
ESS Options				
Sydney Lawrance Quays	988,000	0.28	-	-
Tan Thiam Chai	320,000	0.09	-	-
Datuk Zainun Aishah Binti Ahmad	320,000	0.09	-	-
Dato' Mustapha Bin Abd Hamid	200,000	0.06	-	-
Dato' Tunku Shazuddin Bin Tunku Sallehuddin	80,000	0.02	-	-
ESS Shares				
Sydney Lawrance Quays	126,000	0.04	-	-
Tan Thiam Chai	36,000	0.01	-	-
Datuk Zainun Aishah Binti Ahmad	36,000	0.01	-	-
Dato' Mustapha Bin Abd Hamid	36,000	0.01	-	-
Dato' Tunku Shazuddin Bin Tunku Sallehuddin	36,000	0.01	-	-

Subsidiary company:	Number of ordinary shares			
Jollibean Foods Pte Ltd	Direct Interest	%	Deemed Interest	%
Sydney Lawrance Quays	50,000	3.42	-	-

Ultimate holding company:	Number of ordinary shares			
Berjaya Corporation Berhad	Direct Interest	%	Deemed Interest	%
Sydney Lawrance Quays	25	0.00	-	-
Tan Thiam Chai	126,992	0.00	107,288#	0.00
Chryseis Tan Sheik Ling	202,910	0.00	-	-

	Number of 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 of RM1.00 nominal value each			
	Direct Interest	%	Deemed Interest	%
Tan Thiam Chai	20,600	0.00	17,400#	0.00
Chryseis Tan Sheik Ling	275,000	0.04	-	-

STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 1 OCTOBER 2020

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

	Number of Warrants 2012/2022			
	Direct Interest	**%**	**Deemed Interest**	**%**
Tan Thiam Chai	20,600	0.00	17,400#	0.00

	Number of Warrants 2016/2026			
	Direct Interest	**%**	**Deemed Interest**	**%**
Tan Thiam Chai	1,000	0.00	-	-

Related companies:	Number of ordinary shares			
Berjaya Land Berhad	**Direct Interest**	**%**	**Deemed Interest**	**%**
Tan Thiam Chai	40,000	0.00	-	-
Chryseis Tan Sheik Ling	5,000,000	0.10	-	-

Berjaya Sports Toto Berhad	Number of ordinary shares			
	Direct Interest	**%**	**Deemed Interest**	**%**
Tan Thiam Chai	172,284	0.01	133,165#	0.01

Berjaya Burger Sdn Bhd	Number of ordinary shares			
	Direct Interest	**%**	**Deemed Interest**	**%**
Sydney Lawrance Quays	780,000	6.00	-	-

# Denotes indirect interest pursuant to Section 59 (11) (c) of the Companies Act 2016.

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 1 October 2020.

SUBSTANTIAL SHAREHOLDERS

AS AT 1 OCTOBER 2020

	Number of ordinary shares			
Name	**Direct Interest**	**%**	**Deemed Interest**	**%**
Tan Sri Dato' Seri Vincent Tan Chee Yioun	18,150,000	5.13	236,548,020 (a)	66.87
Berjaya Corporation Berhad	-	-	206,730,020 (b)	58.44
Berjaya Group Berhad	155,220,020	43.88	51,510,000 (c)	14.56
Juara Sejati Sdn Bhd	14,060,000	3.97	32,900,000 (d)	9.30
Teras Mewah Sdn Bhd	-	-	26,000,000 (e)	7.35
Berjaya Land Berhad	15,250,000	4.31	10,750,000 (f)	3.04

(a) Deemed interested by virtue of his interests in Berjaya Corporation Berhad, Berjaya Assets Berhad (the holding company of Berjaya Bright Sdn Bhd), MOL.com Sdn Bhd (the ultimate holding company of Lim Kim Hai Sales & Services Sdn Bhd), B & B Enterprise Sdn Bhd, U Telemedia Sdn Bhd and 7-Eleven Malaysia Holdings Berhad (the holding company of Convenience Shopping (Sabah) Sdn Bhd) and his deemed interest in Berjaya Retail Sdn Bhd.

(b) Deemed interested by virtue of its 100% interest in Berjaya Group Berhad.

(c) Deemed interested by virtue of its 100% interest in Country Farms Sdn Bhd, Juara Sejati Sdn Bhd, Berjaya EnviroParks Sdn Bhd (Formerly known as KUB-Berjaya Enviro Sdn Bhd) and its interests in Berjaya Land Berhad.

(d) Deemed interested by virtue of its interest in Berjaya Land Berhad and REDtone International Berhad.

(e) Deemed interested by virtue of its interest in Berjaya Land Berhad.

(f) Deemed interested by virtue of its interest in Berjaya Sports Toto Berhad (the holding company of Berjaya Philippines Inc), Bukit Kiara Resort Berhad, Staffield Country Resort Berhad and Nural Enterprise Sdn Bhd.

STATISTICS ON SHARES

AS AT 1 OCTOBER 2020

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Ordinary Shares	%
less than 100	236	9.27	2,967	0.00
100 - 1,000	941	36.97	467,910	0.13
1,001 - 10,000	1,046	41.10	4,388,320	1.24
10,001 - 100,000	228	8.96	6,642,260	1.88
100,001 - 17,685,983	91	3.58	287,301,533	81.22
17,685,984* and above	3	0.12	54,916,687	15.53
Total	**2,545**	**100.00**	**353,719,677**	**100.00**

Note: Each share entitles the holder to one vote
* Denotes 5% of the total number of issued shares with voting rights.

THIRTY (30) LARGEST SHAREHOLDERS

	Name of Shareholders	No. of Ordinary Shares Held	%
1	**ABB Nominee (Tempatan) Sdn Bhd** Pledged Securities Account For Berjaya Group Berhad (RC8 Facility)	18,900,000	5.34
2	**Berjaya Group Berhad**	18,319,967	5.18
3	**Maybank Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Berjaya Group Berhad (414084-91161A)	17,696,720	5.00
4	**Maybank Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Berjaya Group Berhad	17,180,000	4.86
5	**Affin Hwang Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Berjaya Group Berhad	16,250,000	4.60
6	**ABB Nominee (Tempatan) Sdn Bhd** Pledged Securities Account For Berjaya Group Berhad (BCORP RC5)	16,033,333	4.53
7	**Berjaya Land Berhad**	15,250,000	4.31
8	**RHB Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Juara Sejati Sdn Bhd	14,060,000	3.98
9	**HLIB Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Berjaya Group Berhad	13,200,000	3.73
10	**Kumpulan Wang Persaraan (Diperbadankan)**	12,633,000	3.57
11	**CIMB Group Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Berjaya Group Berhad (BCB CBM-C2-SBLC)	11,465,000	3.24
12	**RHB Nominees (Tempatan) Sdn Bhd** Bank Of China (Malaysia) Berhad Pledged Securities Account For Berjaya Group Berhad	9,000,000	2.55
13	**Motivasi Optima Sdn Bhd**	8,490,000	2.40
14	**Maybank Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Berjaya Group Berhad	7,650,000	2.16
15	**REDtone International Berhad**	6,900,000	1.95

STATISTICS ON SHARES

AS AT 1 OCTOBER 2020

	Name of Shareholders	No. of Ordinary Shares Held	%
16	**Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Pantai Cemerlang Sdn Bhd	6,280,000	1.78
17	**Nural Enterprise Sdn Bhd**	6,180,000	1.75
18	**CGS-CIMB Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (MY3309)	6,075,400	1.72
19	**Amanahraya Trustees Berhad** Public Smallcap Fund	5,884,360	1.66
20	**MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Berjaya Bright Sdn Bhd (MGN-SCS0007M)	5,500,000	1.56
21	**Amanahraya Trustees Berhad** Public Strategic Smallcap Fund	4,882,840	1.38
22	**Scotia Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Berjaya Retail Sdn Bhd	4,813,200	1.36
23	**MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (MGN-VTC0001M)	4,500,000	1.27
24	**DYMM Sultan Ibrahim Johor**	4,500,000	1.27
25	**Amsec Nominees (Tempatan) Sdn Bhd** Pledged Securities Account - Ambank (M) Berhad For Berjaya Group Berhad	4,375,000	1.24
26	**Lim Boon Liat**	4,220,000	1.19
27	**HSBC Nominees (Tempatan) Sdn Bhd** HSBC (M) Trustee Bhd For Allianz Life Insurance Malaysia Berhad (P)	4,177,600	1.18
28	**Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Arsam Bin Damis (AA0023)	4,000,000	1.13
29	**JF Apex Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Berjaya Bright Sdn Bhd (Margin)	3,940,000	1.11
30	**Affin Hwang Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Berjaya Group Berhad	3,650,000	1.03
		276,006,420	**78.03**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eleventh Annual General Meeting of Berjaya Food Berhad will be conducted on a fully virtual basis through live streaming from the broadcast venue ("Broadcast Venue") at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1, Jalan Imbi, 55100 Kuala Lumpur on Wednesday, 9 December 2020 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 June 2020 and the Directors' and Auditors' Reports thereon.

As Ordinary Business:-

2. To approve the payment of Directors' fees amounting to RM180,000.00 to the Non-Executive Directors of the Company for the financial year ended 30 June 2020. **Resolution 1**

3. To approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors of the Company up to an amount of RM552,000.00 for the period from 10 December 2020 until the next Annual General Meeting of the Company to be held in 2021. **Resolution 2**

4. To re-elect the following Directors who retire pursuant to Clause 117 of the Company's Constitution:-
   (a) Sydney Lawrance Quays **Resolution 3**
   (b) Dato' Mustapha Bin Abd Hamid **Resolution 4**

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

As Special Business:-

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

   (i) Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

   "THAT, subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company from time to time at such price 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 total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued 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 the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, 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 Part A of the Circular to Shareholders dated 26 October 2020 ("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 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

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

whichever is the earlier;

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

(iii) Proposed Renewal of Authority for the Company to Purchase its Own Shares

"THAT, subject always to the Companies Act 2016 ("Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution, 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 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 number of issued shares 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 of the Company;

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;

   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 (of which may be dealt with in accordance with Section 127(7) of the Act); 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**

(iv) Proposed Retention of Independent Non-Executive Directors

(a) "THAT Datuk Zainun Aishah Binti Ahmad be and is hereby retained as an Independent Non-Executive Director of the Company and she shall continue to act as an Independent Non-Executive Director of the Company notwithstanding that she has been an Independent Director on the Board of the Company for a cumulative term of more than nine (9) years." **Resolution 9**

(b) "THAT Dato' Mustapha Bin Abd Hamid be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Director of the Company notwithstanding that he has been an Independent Director on the Board of the Company for a cumulative term of more than nine (9) years." **Resolution 10**

By Order of the Board

THAM LAI HENG MICHELLE
(MAICSA 7013702)
(SSM Practising Certificate No. 202008001622)
Secretary

Kuala Lumpur
26 October 2020

NOTES:

1. Audited Financial Statements

The Audited Financial Statements are meant for discussion only as it does not require shareholders' approval pursuant to the provisions of Section 340(1)(a) of the Companies Act 2016. Hence, this item on the Agenda is not put forward for voting.

2. Directors' Fees

The Remuneration Committee had on 20 August 2019 reviewed the remuneration levels of the Independent Non-Executive Directors and in view of the increasing responsibilities of Directors, time commitment required and the heightened regulatory and compliance requirements under the various laws and regulations, the Board, upon the recommendation of the Remuneration Committee has proposed an increase in the Directors' fees from RM30,000 to RM60,000 per annum with effect from 1 July 2019 for each Independent Non-Executive Director of the Company.

3. Directors' Remuneration (excluding Directors' Fees)

Section 230(1) of the Companies Act 2016 provides that the "fees" of the Directors and "any benefits" payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at this Annual General Meeting ("AGM") for the payment of Directors' remuneration (excluding Directors' fees) payable to the Non-Executive Directors of the Company.

Resolution 2 is to seek shareholders' approval at this AGM for the payment of Directors' remuneration (excluding Directors' fees) payable to the Non-Executive Directors of the Company for the period from 10 December 2020 until the next AGM of the Company to be held in 2021.

The current Directors' Remuneration (excluding Directors' fees) payable to the Non-Executive Directors of the Company comprises of chairman allowances, other emoluments and meeting allowances.

In determining the estimated amount of remuneration payable to the Non-Executive Directors, the Board considered various factors including the number of scheduled meetings for the Board of Directors ("Board"), Board Committees and general meetings of the Company as well as the number of Non-Executive Directors involved in these meetings.

In the event where the payment of Directors' remuneration (excluding Directors' fees) payable during the above period exceeded the estimated amount sought at this AGM, a shareholders' approval will be sought at the next AGM.

4. Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

Resolution 6 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot new shares in the Company from time to time at such price provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares 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 Tenth Annual General Meeting held on 5 December 2019 and which will lapse at the conclusion of the Eleventh 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 under Part A of the Circular/Statement to Shareholders dated 26 October 2020 which can be viewed and downloaded from the website of the Company at www.berjaya.com/berjaya-food/ and/or Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

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 total number of issued shares of the Company ("Proposed Share Buy-Back Renewal"). Detailed information on the Proposed Share Buy-Back Renewal is set out under Part B of the Circular/Statement to Shareholders dated 26 October 2020 which can be viewed and downloaded from the website of the Company at www.berjaya.com/berjaya-food/ and/or Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

7. Proposed Retention of Independent Non-Executive Directors

Resolution 9 and Resolution 10 are proposed pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance and if passed, will allow Datuk Zainun Aishah Binti Ahmad and Dato' Mustapha Bin Abd Hamid to be retained and to continue to act as Independent Non-Executive Directors of the Company.

The full details of the Board's justifications for the retention of Datuk Zainun Aishah Binti Ahmad and Dato' Mustapha Bin Abd Hamid are set out in the Corporate Governance Overview Statement in the Company's 2020 Annual Report.

8. Proxy and Entitlement of Attendance

(i) As part of the measures to curb the spread of Coronavirus Disease 2019, the Annual General Meeting ("AGM") of the Company will be conducted on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities provided by SS E Solutions Sdn Bhd which are available on Securities Services e-Portal at https://sshsb.net.my/. **Please follow the procedures provided in the Administrative Guide for the AGM of the Company in order to register, participate and vote remotely via RPV facilities.**

(ii) The main and only venue of the AGM is the Broadcast Venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the AGM of the Company to be present at the main venue of the AGM of the Company in Malaysia.

(iii) Shareholders/proxies/corporate representatives from the public **WILL NOT BE ALLOWED TO BE PHYSICALLY PRESENT** at the Broadcast Venue on the day of the AGM of the Company.

(iv) A member of the Company who is entitled to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM of the Company via RPV facilities is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.

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

(vi) 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.

(vii) 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.

(viii) 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.

(ix) 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 not less than forty-eight (48) hours before the time appointed for holding the meeting, **i.e. latest by Monday, 7 December 2020 at 10.00 a.m.**

(x) Only members whose names appear in the Record of Depositors as at 2 December 2020 shall be entitled to participate and/or vote at the AGM or appoint a proxy to participate and/or vote in his/her stead via RPV facilities.

9. 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
[Registration No. 200901032946 (876057-U)]
(Incorporated in Malaysia)

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, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf, at the Eleventh Annual General Meeting of the Company to be conducted on a fully virtual basis through live streaming from the broadcast venue held at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1, Jalan Imbi, 55100 Kuala Lumpur ("Broadcast Venue") on Wednesday, 9 December 2020 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 approve payment of Directors' remuneration (excluding Directors' fees) for the period from 10 December 2020 until the next Annual General Meeting of the Company in 2021.		
RESOLUTION 3	To re-elect Sydney Lawrance Quays as Director.		
RESOLUTION 4	To re-elect Dato' Mustapha Bin Abd Hamid 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 for the Company to purchase its own shares.		
RESOLUTION 9	To approve the proposed retention of Datuk Zainun Aishah Binti Ahmad as an Independent Non-Executive Director.		
RESOLUTION 10	To approve the proposed retention of Dato' Mustapha Bin Abd Hamid as an Independent Non-Executive Director.		

NO. OF SHARES HELD

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

Dated this ……........................…. day of ……….........………… 2020.

Notes:

1. As part of the measures to curb the spread of Coronavirus Disease 2019, the Annual General Meeting ("AGM") of the Company will be conducted on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities provided by SS E Solutions Sdn Bhd which are available on Securities Services e-Portal at https://sshsb.net.my/. Please follow the procedures provided in the Administrative Guide for the AGM of the Company in order to register, participate and vote remotely via RPV facilities.
2. The main and only venue of the AGM is the Broadcast Venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the AGM of the Company to be present at the main venue of the AGM of the Company in Malaysia.
3. Shareholders/proxies/corporate representatives from the public WILL NOT BE ALLOWED TO BE PHYSICALLY PRESENT at the Broadcast Venue on the day of the AGM of the Company.
4. A member of the Company who is entitled to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM of the Company via RPV facilities is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
5. A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.
6. 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.
7. 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.
8. 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.
9. 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 not less than forty-eight (48) hours before the time appointed for holding the meeting, i.e. latest by Monday, 7 December 2020 at 10.00 a.m.
10. Only members whose names appear in the Record of Depositors as at 2 December 2020 shall be entitled to participate and/or vote at the AGM or appoint a proxy to participate and/or vote in his/her stead via RPV facilities.
11. 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

Then fold here

1st fold here

GROUP ADDRESSES

Berjaya Food Berhad

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

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

Berjaya Food Supreme Sdn Bhd

95, Jalan Pemancha,
Bandar Seri Begawan BS8811,
Brunei Darussalam.
Tel : 03-2052 5888

Jollibean Foods Pte Ltd

No. 63 Ubi Avenue 1,
#07-06 63@UBI,
Singapore 408937.
Tel : +65-6746 3877

Berjaya Food Trading Sdn Bhd

Lot 9-11, Level 9 (East Wing),
Berjaya Times Square,
No.1, Jalan Imbi,
55100 Kuala Lumpur.
Tel : 03-2052 5888

Berjaya Jollibean (M) Sdn Bhd

Lot 07-33, Level 7 (West Wing),
Berjaya Times Square,
No. 1, Jalan Imbi,
55100 Kuala Lumpur.
Tel : 03-2141 2699

Ser Vergano Sdn Bhd

A-G-03A, Glomac, Galeria Hartamas,
Jalan 26A/70A, Desa Sri Hartamas,
50840 Kuala Lumpur.
Tel : 012-391 8430 / 011-1150 3606

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

WWW.BERJAYA.COM

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