

BERJAYA FOOD BERHAD

(Company No. 876057-U)

(Incorporated in Malaysia)

An Extract of minutes of the Tenth Annual General Meeting of the Company held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Thursday, 5 December 2019 at 10.00 a.m.

CHAIRMAN

Dato' Tunku Shazuddin Bin Tunku Sallehuddin ("Dato' Tunku Shazuddin") presided as Chairman of the Meeting.

PRESENT

The attendance list was set out in Appendix I attached.

QUORUM

The Secretary confirmed that a quorum was present for the Meeting.

NOTICE OF MEETING

The Notice of Annual General Meeting ("AGM") dated 22 October 2019 as contained on Page 148 to Page 152 of the Company's Annual Report was taken as read by the Secretary.

POLL VOTING

The Chairman informed that pursuant to Paragraph 8.29A (1) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the voting for all the resolutions to be considered at the Meeting would be put to vote by poll.

The Chairman then briefed the shareholders and proxies on an overview of the process of poll voting. He informed that the poll voting slips were given to the shareholders upon registration. He explained that each of the resolution put to vote at the Meeting would be proposed, seconded and subsequently opened to the floor to members or proxies to raise any questions in relation thereto.

Thereafter, the shareholders would be required to complete the poll voting slips after all the resolutions have been duly proposed, seconded and clarified.

The Share Registrar, Berjaya Registration Services Sdn Bhd would act as the Poll Administrators to brief the shareholders on the polling process upon completion of the deliberation of all items to be transacted at the Meeting while the Independent Scrutineers, Messrs LT Lim & Associates ("LT Lim"), would verify and announce the poll results at the end of the Meeting.

The Chairman then began with the Item 1 on the Agenda which is to receive and adopt the Company's audited financial statements for the financial period ended 30 June 2019 together with the Directors' Reports thereon.

AUDITED FINANCIAL STATEMENTS

The Chairman informed that pursuant to Section 340 subsection 1(a) of the Companies Act 2016, the Company is required to lay before the Meeting the audited financial statements and reports for the financial period ended 30 June 2019. Hence, there was no resolution on Item 1 of the Agenda in respect of the adoption of audited financial statements, Directors' and Auditors Reports for the financial period ended 30 June 2019 but members present would be allowed to ask questions and give comments on the Company's audited financial statements after the presentation by the Auditors and the Management.

The Chairman then invited Mr Ng Kim Ling, the Engagement Partner of Messrs Ernst & Young ("EY"), the external auditors of the Company, to present the Independent Auditors' Report as set out on Page 132 to Page 134 of the Annual Report 2019 on the financial statements for the financial period ended 30 June 2019 to the members of the Company

After the presentation by Mr Ng Kim Ling, The Chairman thanked Mr Ng Kim Ling for his presentation of the Auditors' Report and then invited Mr Hen Jong Ren, the General Manager of the Group Accounts & Budgets Division, to brief the members on the Group's financial performance for the financial period ended 30 June 2019.

Before proceeding with his presentation, Mr Hen Jong Ren informed the members present that the Company has changed its financial year end from 30 April to 30 June 2019 during the financial period to be coterminous with the financial year end of its holding company namely, Berjaya Corporation Berhad. Hence, the reporting period for all the Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Consolidated Statement of Change in Equity, Statement of Cash Flows were 14 months period from 1 May 2018 to 30 June 2019. This was not comparable to the previous financial statements which were prepared for a period of 12 months ended 30 April 2018.

Mr Hen Jong Ren also informed that the Company has received a questionnaire letter dated 25 November 2019 from Minority Shareholders Watch Group ("MSWG") in relation to the strategic and financial matters of the respective business of its subsidiary companies namely, Berjaya Roasters (M) Sdn Bhd, Berjaya Food Supreme Sdn Bhd and Jollibean Foods Pte Ltd, Singapore.

Mr Hen Jong Ren then proceeded to present the MSWG letter and the Management's replies thereof to the members as set out in Appendix II.

After the presentation by Mr Hen Jong Ren, the Chairman then invited questions from the floor on the audited financial statements of the Company for the financial period ended 30 June 2019. A proxy then sought clarification on various issues which were duly addressed by Mr Sydney Lawrance Quays, Mr Ernest Lau Lub Ding and Mr Hen Jong Ren.

After having addressed all the queries, it was recorded that the Company's audited financial statements for the financial period ended 30 June 2019 together with the Directors' and Auditors' Reports were duly adopted.

The Chairman then passed the Chair to Mr Sydney Lawrance Quays for the purpose of considering Resolution 1 to Resolution 3 in relation to the payment of Directors' Fees and payment of Directors' Remuneration (excluding Directors' Fees). The Chairman informed that he was interested in Resolution 1 to Resolution 3 and hence, he has to abstain from deliberating and voting on the said resolutions.

1/19 DIRECTORS' FEES

The motion to approve the payment of Directors' fees for the financial period ended 30 June 2019 under Resolution 1 was proposed by Ms Chin Wan Ching and seconded by Ms Megan Leong Mei Heng.

2/19 ADDITIONAL PAYMENT OF DIRECTORS' REMUNERATION (EXCLUDING DIRECTORS' FEES) TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY FOR THE PERIOD FROM 3 OCTOBER 2018 UNTIL THE AGM OF THE COMPANY IN 2019

The motion to approve the additional payment of Directors' Remuneration (excluding Directors' Fees) to the Non-Executive Directors of the Company up to an amount of RM75,400.00 for the period from 3 October 2018 until the AGM of the Company in 2019 under Resolution 2 was proposed by Ms Beh Hark Yim and seconded by Mr Luis A/L Daniel.

At this juncture, the representative from MSWG namely, Ms Hoo Ley Beng raised some questions in relation to the Directors' remuneration and the issues were duly addressed by Mr Tan Thiam Chai.

3/19 DIRECTORS' REMUNERATION (EXCLUDING DIRECTORS' FEES) FOR THE PERIOD FROM 6 DECEMBER 2019 UNTIL THE NEXT AGM OF THE COMPANY

The motion to approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors up to the amount of RM503,000/= for the period from 6 December 2019 until the next AGM of the Company to be held in 2020 under Resolution 3 was proposed by Mr Chin Boon Chye and seconded by Ms Lee Siew Fei.

Mr Sydney Lawrance Quays then passed the Chair back to the Chairman for the next agenda.

4/19 RE-ELECTION OF DIRECTORS

The Chairman informed that the following two (2) Directors were subject to retirement at this AGM pursuant to Article 94 of the Company's Articles of Association:-

- (a) The motion on the proposed re-election of Datuk Zainun Aishah Binti Ahmad as a Director of the Company pursuant to Article 94 of the Company's Articles of Association under Resolution 4, was duly proposed by Mr Sim Chee Siong and seconded by Mr Ng Teik Sin.
- (b) The motion on the proposed re-election of Mr Tan Thiam Chai as a Director of the Company pursuant to Article 94 of the Company's Articles of Association under Resolution 5, was duly proposed by Mr Chin Boon Chye and seconded by Mr Tengku Ferry Widayat Bin T. Rizal.

5/19 AUDITORS

The motion to move Resolution 6 in relation to the re-appointment of EY as Auditors of the Company was proposed by Ms Nur Sufina Thong Binti Abdullah and seconded by Mr Vincent Cheam Thau Choy.

6/19 SPECIAL BUSINESS

i) Ordinary Resolution - Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

The motion to move Resolution 7 in relation to the authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 was proposed by Ms Lim Poh Keow and seconded by Mr How Seng Huat.

ii) Ordinary Resolution - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Chairman informed the members that the proposed Resolution 8, if passed, will allow the Company and its subsidiaries to enter into Recurrent Related Party transactions in accordance with Paragraph 10.09 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

The Chairman added that the following persons who are interested Director and major shareholders of the Company as well as persons connected with them would abstain from voting on Resolution 8 in respect of their direct and/or indirect shareholdings, namely:-

- a) Chryseis Tan Sheik Ling
- b) Tan Sri Dato' Seri Vincent Tan Chee Yioun
- c) Berjaya Corporation Berhad

The Chairman further informed that the other Director of the Company namely, Mr Tan Thiam Chai is also a Director of certain companies of which Berjaya Corporation Berhad is deemed to have interests. Accordingly, he has however voluntarily abstained from voting on Resolution 8 in respect of his direct and/or indirect shareholdings in the Company.

The motion to move Resolution 8 was proposed by Ms Beh Hark Yim and seconded by Ms Sharon Tee Sze Yin.

iii) Ordinary Resolution - Proposed Renewal of Authority for the Company to Purchase its Own Shares

The motion to move Resolution 9 in relation to the proposed renewal of authority for the Company to purchase its own shares was proposed by Mr Ng Teik Sin and seconded by Mr How Seng Huat.

iv) Ordinary Resolution - Proposed Retention of Independent Non-Executive Directors

- (a) The Chairman informed the members that Datuk Zainun Aishah Binti Ahmad has been appointed as an Independent Non-Executive Director of the Company since May 2010 and she has served the Company for a cumulative term of more than 9 years. She is also the Chairman of the Audit and Risk Management Committee, Nomination Committee and Sustainability Committee of the Company.

The Chairman added that both the Nomination Committee and the Board have assessed the independence of Datuk Zainun Aishah Binti Ahmad and was satisfied with her contributions and independent judgment that she brings to the Board.

The motion to move Resolution 10 in relation to the proposed retention of Datuk Zainun Aishah Binti Ahmad as an Independent Non-Executive Director was proposed by Ms Rina Siew Pik Mun and seconded by Ms Yong Yun Fong.

- (b) The Chairman further informed the members that Dato' Mustapha Bin Abdul Hamid has been appointed as an Independent Non-Executive Director of the Company since May 2010 and he has served the Company for a cumulative term of more than 9 years. He is also the Chairman of the Remuneration Committee.

The Chairman added that both the Nomination Committee and the Board have assessed the independence of Dato' Mustapha Bin Abdul Hamid and was satisfied with his contributions and independent judgment that he brings to the Board.

The motion to move Resolution 11 in relation to the proposed retention of Dato' Mustapha Bin Abdul Hamid as an Independent Non-Executive Director was proposed by Ms Nur Sufina Thong Binti Abdullah and seconded by Ms Yong Yun Fong.

The Chairman then passed the Chair to Datuk Zainun Aishah Binti Ahmad for the purpose of considering Resolution 12 in relation to allocation of awards to Dato' Tunku Shazuddin. The Chairman informed that he was interested in Resolution 12 and hence, he has to abstain from deliberating and voting on the said resolution.

v) **Ordinary Resolution - Proposed Allocation of Awards to Dato' Tunku Shazuddin**

Datuk Zainun Aishah Binti Ahmad informed the members that the Employees' Share Scheme ("ESS") of the Company has been approved by the shareholders at an Extraordinary General Meeting held on 5 October 2016.

Datuk Zainun Aishah Binti Ahmad further informed that the proposed Resolution 12, if passed, will allow ESS Committee from time to time throughout the duration of the ESS, to offer and grant such number of ESS Shares and/or ESS Options representing up to an aggregate of 116,000 of the total number of Company's shares to be issued and/or transferred to Dato' Tunku Shazuddin, the Chairman of the Company pursuant to the ESS and in accordance with the provisions of the By-Laws of the ESS.

Datuk Zainun Aishah Binti Ahmad further informed that Dato' Tunku Shazuddin, being an Interested Director, has to abstain from voting in respect of his direct and/or indirect shareholdings in the Company on this ordinary resolution and to abstain from deliberating and approving the Proposed Allocation to him. In addition, he has also undertaken to ensure that persons connected to him shall abstain from voting in respect of their direct and/or indirect shareholdings in the Company (if any) on the ordinary resolution and to also abstain from deliberating and approving the Proposed Allocation to him.

The motion to move Resolution 12 in relation to the proposed allocation of awards to Dato' Tunku Shazuddin was proposed by Mr Tong Mee Theng and seconded by Ms Lee Siew Fei.

At this juncture, the representative from MSWG namely, Ms Hoo Ley Beng made comments on the proposed allocation of Awards to Independent Director of the Company.

The Board took note of the statement by Ms Hoo Ley Beng.

Datuk Zainun Aishah Binti Ahmad then passed the Chair back to the Chairman for the next agenda.

vi) Special Resolution-Proposed Adoption of a New Constitution

Dato' Tunku Shazuddin informed that the Special Resolution is in relation to the proposed adoption of a new Constitution to replace the whole of the existing Memorandum and Articles of Association of the Company. The Proposed Adoption of a new Constitution is to streamline it with the provisions of the Companies Act 2016, which came into effect on 31 January 2017 and the relevant amendments made to Bursa Malaysia Securities Berhad's Main Market Listing Requirements to provide better clarity and consistency throughout the new Constitution and to enhance the administrative efficiency of the Company.

The motion to move the Special Resolution in relation to the proposed adoption of a new Constitution was proposed by Mr Ng Teik Sin and seconded by Mr Vincent Cheam Thau Choy.

As there are no other resolutions to be considered, the Chairman then invited Encik Halim Md Amin of Berjaya Registration Services Sdn Bhd to explain the procedures on the conduct of poll voting.

The Chairman then declared that the Meeting be adjourned at 10.40 a.m. for the Share Registrar and LT Lim to count and tabulate as well as verify the poll results respectively.

Announcement of Poll Results

After the votes had been counted and verified by LT Lim, the Chairman called the Meeting to order at 10.48 a.m. and the representative of LT Lim, Mr Han Meng Chew reported the results of the poll as follows:-

No.	Resolutions	Vote For		Vote Against	
		No. of Shares	%	No. of Shares	%
1.	Payment of Directors' Fees	268,029,687	99.99	400	Negligible
2.	Additional payment of Directors' Remuneration (excluding Directors' Fees) for the period from 3 October 2018 until the Annual General Meeting of the Company in 2019.	267,966,087	99.99	6,400	Negligible
3.	Payment of Directors' Remuneration (excluding Directors' Fees) for the period from 6 December 2019 until the next Annual General Meeting of the Company in 2020.	249,491,787	93.10	18,480,700	6.90
4.	Re-election of Datuk Zainun Aishah Binti Ahmad as Director.	244,761,487	91.26	23,433,600	8.74

No.	Resolutions	Vote For		Vote Against	
		No. of Shares	%	No. of Shares	%
5.	Re-election of Tan Thiam Chai as Director.	249,425,287	93.10	18,493,800	6.90
6.	Re-appointment of EY as Auditor	268,402,887	99.99	6,000	Negligible
7.	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016	244,988,487	91.27	23,420,400	8.73
8.	Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	63,650,467	99.99	300	Negligible
9.	Renewal of authority for the Company to purchase its own shares	244,988,787	91.27	23,420,100	8.73
10.	Retention of Datuk Zainun Aishah Binti Ahmad as an Independent Non-Executive Director.	244,775,287	91.27	23,419,800	8.73
11.	Retention of Dato' Mustapha Bin Abdul Hamid as an Independent Non-Executive Director.	244,823,787	91.27	23,420,100	8.73
12.	Allocation of Awards to Dato' Tunku Shazuddin	243,078,787	90.58	25,272,100	9.42
13.	Adoption of a new Constitution	268,407,387	100	-	-

The Chairman then declared that all the resolutions, that is Resolution 1 to Resolution 12 and the Special Resolution were duly carried as follows:-

- 1) "THAT the payment of Directors' fees amounting to RM105,000.00 to the Non-Executive Director of the Company for the financial period ended 30 June 2019 be and is hereby approved."
- 2) "THAT the additional payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors of the Company up to an amount of RM75,400.00 for the period from 3 October 2018 until the AGM of the Company held in 2019 be and is hereby approved."

- 3) “THAT the payment of Directors’ remuneration (excluding Directors’ fees) to the Non-Executive Directors of the Company up to an amount of RM503,000.00 for the period from 6 December 2019 until the next AGM of the Company to be held in 2020 be and is hereby approved.”
- 4) “THAT Datuk Zainun Aishah Binti Ahmad, being the Director retiring pursuant to Article 94 of the Company’s Articles of Association, be and is hereby re-elected as a Director of the Company.”
- 5) “THAT Tan Thiam Chai, being the Director retiring pursuant to Article 94 of the Company’s Articles of Association, be and is hereby re-elected as a Director of the Company.”
- 6) “THAT EY be and are hereby appointed as Auditors of the Company until the conclusion of the next AGM and that the Directors be authorised to fix their remuneration.”
- 7) “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 AGM of the Company.”
- 8) “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 22 October 2019 (“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 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.”

- 9) “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 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.”
- 10) “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.”
- 11) “THAT Dato’ Mustapha Bin Abdul 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.”
- 12) “THAT pursuant to the ESS of the Company as approved by the shareholders at an Extraordinary General Meeting held on 5 October 2016, approval be and is hereby given to the ESS Committee, from time to time throughout the duration of the ESS, to offer and grant to Dato’ Tunku Shazuddin, being the Chairman (Independent Non-Executive Director) of the Company, such number of ESS Shares and/or ESS Options representing up to an aggregate of 116,000 of the total number of shares of the Company to be issued and/or transferred pursuant to the ESS, subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws of the ESS.”
- 13) “THAT the new Constitution as set out in Appendix II of Part C of the Circular to Shareholders dated 22 October 2019 be and is hereby approved and adopted as the Constitution of the Company to replace the whole of the existing Memorandum and Articles of Association of the Company with immediate effect AND THAT the Board of Directors and/or Secretary of the Company be and are hereby authorised to do all acts and things in any manner as they may deem necessary and/or expedient in order to give full effect to the aforesaid with full powers to assent to any conditions, modifications and/or amendments as may be required or permitted by any relevant authorities.”

7/19 CONCLUSION

The Chairman concluded and closed the Meeting at 11.14 a.m. and thanked the members for their presence at the Meeting.

Confirmed,

CHAIRMAN

Dated: 19 December 2019

**ATTENDANCE LIST FOR ANNUAL GENERAL MEETING OF
BERJAYA FOOD BERHAD HELD ON 5 DECEMBER 2019**

Directors

1)	Dato' Tunku Shazuddin Bin Tunku Sallehuddin	-Chairman/ Independent Non-Executive Director
2)	Sydney Lawrance Quays	-Chief Executive Officer
3)	Tan Thiam Chai	-Non-Independent Non-Executive Director
4)	Chryseis Tan Sheik Ling	-Non-Independent Non-Executive Director
5)	Datuk Zainun Aishah Binti Ahmad	-Independent Non-Executive Director
6)	Dato' Mustapha Bin Abd Hamid	-Independent Non-Executive Director

In Attendance

1)	Tham Lai Heng Michelle	} Company Secretaries
2)	Wong Poo Tyng	

Management Team and By Invitation

1)	Ernest Lau Lub Ding	-Representatives from Group Accounts and Budgets, Berjaya Corporation Berhad
2)	Hen Jong Ren	
3)	Ng Kim Ling	-Representatives from Messrs Ernst & Young
4)	Wong Hur-Kuan	
5)	Han Meng Chew	-Representative from Messrs LT Lim & Associates
6)	Halim Md Amin	-Representative from Berjaya Registration Services Sdn Bhd

Members, Proxies of Corporate Representative

As per the attendance sheets



5 December 2019

Minority Shareholders Watch Group
Tingkat 11, Bangunan KWSP
No.3 Changkat Raja Chulan
Off Jalan Raja Chulan
50200 Kuala Lumpur

Attn: Ms. Linnert Hoo, Head, Research & Development

Dear **Madam**,

**BERJAYA FOOD BERHAD (“BFOOD”)
ANNUAL GENERAL MEETING - FOR FINANCIAL PERIOD ENDED 30 JUNE 2019**

We refer to your letter dated 25 November 2019 raising certain points and queries on BFood’s Annual Report for the financial period ended 30 June 2019 and are pleased to furnish herewith our reply (in the same sequential order) to those points and queries raised by your esteemed body as follows:

Strategic & Financial Matters

- 1)(a) Apart from administrative expenses, the main reasons for BRoasters’ continuing losses are mainly due to write-off expenses from closure of loss-making stores and the change in cost structure arising from the implementation of SST in place of GST.

The losses reflected in this financial year was for a period of 14 months compared to a period of 12 months in the previous financial year. In fact, the losses have reduced.

We are expecting BRoasters to turn profitable by 3rd quarter of financial year 2020.

- 1)(b) The major components of administrative expense are mainly rental, head office personnel expenses and depreciation.
- 1)(c) The number of stores as at 30 June 2019 stood at 80 stores. There are 10 new openings and 3 closures planned for financial year 2020.

BERJAYA FOOD BERHAD

(Company No. 876057-U)

Level 12 Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur, Malaysia.

Tel:603-2149 1999 Fax: 603-2148 9637

Handwritten signatures in black ink, appearing to be initials and a full name, located in the bottom right corner of the page.

- 2) As of today, there are 6 KRR Express Outlets and BRoasters is planning to open another 2 KRR Express Outlets in December 2019. The opening of more KRR Express Outlets in strategic locations will help the penetration rate of online food delivery business, which has been contributing steadily to the business growth.

The newly launched menu items such as Nasi Lemak, Chicken Rice, and Fried Chicken introduced more variety to BRoasters' customers. We have been receiving positive responses from customers since the launch of these new menu items. Other than introducing the new menu items, there are also on going new seasonal promotional offerings such as the recently launched Butter Garlic Chicken and Salted Egg Chicken. BRoasters will continue to introduce innovative promotional offerings to create excitement for its customers as well as attracting new customers.

- 3) There is no plan to open new stores in Brunei. BFS had just recently closed one major loss-making store and we expect the numbers to improve gradually as the traffic will flow to the other stores.
- 4) The loss before tax for Jollibean Foods was mainly due to additional spending for the revamp and renovation of stores and rebranding exercise to grow the brand internationally for future franchising opportunity. To date, Jollibean has successfully franchised the brand within Singapore as well as into the Philippines and are currently exploring into the potential markets of Thailand and Vietnam.

Jollibean Singapore expects to turn around by FYE 2020.

- 5)(a) During the financial year ended 30 April 2018, the Group entered into an agreement to dispose of its entire stake in PT Boga Lestari Sentosa ("PT Boga"). In this agreement, other than the cash consideration, the purchaser of PT Boga (not a related party) also agreed to settle a portion of the debt owing by PT Boga to the Group. The impaired amount represents the outstanding balance owing by PT Boga to the Group and hence, it is not a related party receivable.
- 5)(b) None of the impaired amount has been recovered to-date.
- 5)(c) We have been sending reminders to the purchaser over the past 2 years. The Group expects the chance of recovering as unfavourable. However, the Group has provided an impairment on this amount in full in the financial year ended 30 April 2018. Hence, the future results of the Group will not be impacted by the non-recovery of this amount should it eventually become a bad debt.

We trust the above have clarified the points raised.

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Level 12 Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur, Malaysia.

Tel:603-2149 1999 Fax: 603-2148 9637



Yours faithfully
For and on behalf of
Berjaya Food Berhad



Sydney Lawrance Quays
Chief Executive Officer

BERJAYA FOOD BERHAD

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