



BERJAYA BERJAYA FOOD BERHAD

[Registration No. 200901032946 (876057-U)]

ANNUAL REPORT 2023





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

- 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.
- To ensure total customer satisfaction.
- To generate a profitable rate of return for all our shareholders.
- To carry out our business in ways that are socially and environmentally responsible.



14TH ANNUAL GENERAL MEETING



Wednesday,
13 December 2023
10.00 a.m.



Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1, Jalan Imbi, 55100 Kuala Lumpur

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CORPORATE PROFILE



The diverse selection of brands under Berjaya Food Berhad.

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 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, Berjaya Food (International) Sdn Bhd (“BFI”) completed the disposal of 5% equity interest in Jollibean Foods to Dato’ 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 BND1.20 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 Vegano”) for a total cash subscription price of RM250,000. Ser Vegano is operating a Latin-inspired, Tex-Mex, plant-based vegan restaurant under the name “SALA”.

Berjaya Kelava Sdn Bhd (“BKelava”) incorporated in Malaysia on 1 November 2021. On the same date, BFI entered into a subscription cum shareholders agreement for the proposed subscription of 51% of the issued share capital for BKelava for a total cash subscription price of RM200,430.

On 20 June 2022, BFI entered into a joint venture agreement for the

Beef Steak & Mushroom Pie from Kenny Rogers ROASTERS.



CORPORATE PROFILE

subscription of 50% of the issued share capital of Berjaya Paris Baguette Sdn Bhd (“BPB”) with international bakery operator, Paris Baguette Singapore Pte Ltd. BPB is a fast-casual French-inspired South Korean bakery under the brand name of “Paris Baguette”.

On 1 August 2023, BFI entered into a joint venture cum shareholders agreement with Middle Trade, Inc. (“MTI”) to incorporate a new company in the Philippines (i.e. Berjaya Paris Baguette Philippines Inc.) to jointly develop and operate the “Paris Baguette” bakery chain in the Philippines. BFI will subscribe to 60% of the equity interest of Berjaya Paris Baguette Philippines Inc. for a total cash consideration of about PHP89.7 million (or about RM7.51 million). The remaining 40% of the equity interest of Berjaya Paris Baguette Philippines Inc. will be subscribed by MTI.

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 16 states and federal territories in Malaysia. As at 30 June 2023, there are a total of 393 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 2023, there are a total of 77 Starbucks drive-thru stores across Malaysia. In 2015, BStarbucks opened the first Starbucks Reserve™ concept store as part of its commitment to push premium coffee experience even further through the retail of some of the world’s most exceptional beans and an immersive coffeehouse experience. As at 30 June 2023, there are 16 Starbucks Reserve™ stores, including 2 Starbucks Reserve™ Drive-Thru 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, BStarbucks opened its second Starbucks Signing Store at Burmah Road, Penang - the fourth of its kind in the world.

On 16 February 2014, the first Starbucks store opened in Mabohai Shopping Complex in Brunei. The store features a traditional coffee bar, also known as an “Experience Bar” to allow customers to savor their favourite Starbucks coffees using the pour-over brewing method. On 7 September 2014, the first drive-thru concept store was opened in Beribi. As at 30 June 2023, 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. Since then, Jollibean Foods has developed from one speciality store to a chain of over 28 outlets under 4 different brand concepts: Jollibean with 19 outlets, Sushi Deli with 9 outlets, as at 30 June 2023.

Jollibean’s signature product is its fresh daily-made soy milk using Grade A, non-genetically modified organism (non-GMO), identity-preserved Canadian soy beans to ensure the highest quality of its product each time. It also offers traditional snacks such as the popular street pancake - Mee Chiang Kueh - which complement its soy milk offerings. All of Jollibean’s products are freshly prepared at the start of each day.

Its Sushi Deli outlets serve an array of ‘pick-and-choose’ sushi, assorted sashimi sets, sushi & maki sets, Japanese salads, bento sets, party platters and Japanese sweets like Tofu Cheesecake.

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 2023, there are a total of 80 KRR Restaurants across Malaysia.

KRR stays true to its philosophy of serving up wholesome, hearty meals in its menu offerings. Its rotisserie-roasted chicken is complemented by a variety of hot and cold sides, delectable homemade 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.

SALA

Ser Vegano operates “SALA”, which is a Latin-inspired, Tex-Mex plant-based vegan restaurant in Malaysia. The concept of the restaurant is to promote healthy eating and environmental sustainability. In 2020, Ser Vegano was acquired by BFood, accelerating its growth with expansion from one restaurant to over seven locations across Kuala Lumpur and Selangor. Aside from tacos and burritos, Ser Vegano also prides itself on putting a healthy twist into local Malaysian delicacies including famous or staples ‘Nasi Lemak’ and many others.

KELAVA ICE CREAM

Founded in 2017 in a home kitchen, KELAVA produces and distributes premium handcrafted micro-batch ice cream, which is rich, creamy and completely plant-based. The name of KELAVA is derived from the words ‘Kelapa’, which means coconut, and ‘love’. Kelapa is the main ingredient in the ice cream base, bringing smooth indulgence to the mindful ice cream lovers.



CORPORATE INFORMATION

BOARD OF DIRECTORS

**Dato' Seri Diraja Tunku Shazuddin
Ariff Ibni Sultan Sallehuddin**
Chairman/Independent
Non-Executive Director

Dato' Sydney Lawrance Quays
Director and Chief Executive Officer

**Chryseis Tan Sheik Ling
Dato' (Dr) Mustapha Bin Abd Hamid
Tan Thiam Chai**
Non-Independent Non-Executive
Directors

**Datin Chee Yoke Kuan
Wan Nor Aida Binti Wan Azmi**
Independent Non-Executive Directors

AUDIT AND RISK MANAGEMENT COMMITTEE

Datin Chee Yoke Kuan
Chairman
**Wan Nor Aida Binti Wan Azmi
Tan Thiam Chai**

NOMINATION COMMITTEE

Datin Chee Yoke Kuan
Chairman
**Wan Nor Aida Binti Wan Azmi
Tan Thiam Chai**

REMUNERATION COMMITTEE

Wan Nor Aida Binti Wan Azmi
Chairman
**Datin Chee Yoke Kuan
Tan Thiam Chai**

SUSTAINABILITY COMMITTEE

Datin Chee Yoke Kuan
Chairman
**Dato' Sydney Lawrance Quays
Dato' (Dr) Mustapha Bin Abd Hamid
Tan Thiam Chai**

COMPANY SECRETARIES

Tham Lai Heng Michelle
(SSM Practising Certificate No.
202008001622)
(MAICSA No. 7013702)

Wong Siew Guek
(SSM Practising Certificate No.
202008001490)
(MAICSA No. 7042922)

Wong Poo Tyng
(SSM Practising Certificate No.
202008001580)
(MAICSA No. 7056052)

SHARE REGISTRAR

Berjaya Registration Services Sdn Bhd
[Registration No. 199401008064
(293743-X)]
09-27, Level 9
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
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Fax : 03-2145 9702
Email : shareg@berjavareg.com.my

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
Email : cosec@berjaya.com.my

PRINCIPAL BANKERS

AmBank (M) Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

STOCK SECTOR

Consumer Products & Services

STOCK NAME

BJFOOD

STOCK CODE

5196

PLACE OF INCORPORATION AND DOMICILE

Malaysia

WEBSITE ADDRESS

www.berjaya.com/berjaya-food/



Starbucks Vanilla Sweet Cream Cold Brew.

PROFILE OF DIRECTORS

DATO' SERI DIRAJA TUNKU SHAZUDDIN ARIFF IBNI SULTAN SALLEHUDDIN

Chairman/Independent
Non-Executive Director



Malaysian



53



Male

He was appointed as the Chairman and Independent Non-Executive Director of Berjaya Food Berhad on 4 December 2017. He was previously on various board committees including the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee from 11 August 2020 to 10 February 2022 and Employees' Share Scheme Committee from 4 December 2017 to 14 August 2023.

He is the Pro-Chancellor of Universiti Utara Malaysia since 2018. Apart from his ceremonial role as Pro-Chancellor, he also contributes to the university's greater achievements in the area of art & design and has been instrumental in developing Batik Kedah fabrics for commercialisation.

He is also known for his active participation in charitable activities, particularly in the state of Kedah. He currently sits on the Board of Trustees of Tabung Amanah Sultan Kedah (TASK), a charitable organisation aimed at alleviating the burden of the needy. Furthermore, he is in the process of setting up a national sports fund in Kedah, which will focus on the development of sports in young athletes below the age of 21.

He also holds the position of Managing Director in Seri Libana Sdn Bhd, a company that specialises in green energy projects. Through this platform, he has been developing green energy projects and various forms of environmental sustainability programs in the state of Kedah.

PROFILE OF DIRECTORS

DATO' SYDNEY LAWRANCE QUAYS

Director and Chief Executive Officer



Malaysian



55



Male

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 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 of 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. In 2017, Dato' Sydney emerged as the year's only "Eminent Leaders in Asia" category winner at the Asia Corporate Excellence & Sustainability Awards (ACES) held in Singapore. He has also been recognised by the Asia Pacific Enterprise Award (APEA) as Outstanding Entrepreneurship in 2014 and 2016, and Master Entrepreneur in 2022 and 2023.

Currently, he is overseeing the day-to-day operational decisions for BStarbucks, Berjaya Roasters (M) Sdn Bhd ("BRoasters") 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 the Chairman and a Director of Ser Vegano Sdn Bhd and Berjaya Kelava Sdn Bhd. He is also a Director of BRoasters, Berjaya Jollibean (M) Sdn Bhd, Berjaya Food (International) Sdn Bhd, Berjaya Paris Baguette Sdn Bhd and holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

PROFILE OF DIRECTORS

CHRYSEIS TAN SHEIK LING

Non-Independent
Non-Executive Director



Malaysian



34



Female

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, she is 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, she is an Executive Director of Berjaya Assets Berhad, Berjaya Land Berhad and Berjaya Corporation Berhad. She is also 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 in the Berjaya Corporation group of companies.

PROFILE OF DIRECTORS

TAN THIAM CHAI

Non-Independent
Non-Executive Director



Malaysian



64



Male

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 of Management and Technology) 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 Accountant (MIA).

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, Tioman Island Resort Berhad, Berjaya Starbucks Coffee Company Sdn Bhd, Inter-Pacific Management Sdn Bhd, Natural Avenue Sdn Bhd and Berjaya Japan Developments Bhd.

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

PROFILE OF DIRECTORS

**DATO' (DR) MUSTAPHA BIN
ABD HAMID**

Non-Independent
Non-Executive Director



Malaysian



70



Male

He was appointed to the Board on 20 May 2010 as an Independent Non-Executive Director of the Company and was subsequently re-designated as Non-Independent Non-Executive Director of the Company on 1 June 2023. He is a member of the 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 Acmar FHP Group Berhad and Lii Hen Industries Bhd. He also holds directorship positions in several other private limited companies.

PROFILE OF DIRECTORS

DATIN CHEE YOKE KUAN

Independent
Non-Executive Director



Malaysian



50



Female

She was appointed to the Board on 31 May 2023 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.

She completed her professional qualification with the Association of Chartered Certified Accountants (ACCA) in year 1996. Currently, she is a member of the Malaysian Institute of Accountants (MIA) and ASEAN Chartered Professional Accountants (ACPA) and a fellow member of the Association of Chartered Certified Accountants (FCCA).

She began her career with one of the Big 5 accounting firms, serving in the auditing and assurance sector for more than 10 years from March 1997 to August 2007. Thereafter, she served as the Technical Director of the MIA from October 2007 to September 2011. During her tenure with MIA, she had provided leadership to technical department of the Institute, responsible for the set up of a formal Standard-Setting Board for Audit and Assurance and Ethics of the Institute as well as the Financial Reporting Standards Implementation Committee. She was also the Technical Advisor to the members of the International Federation of Accountants (IFAC)'s Developing Nations and Small-and-Medium Practices. Subsequently, she joined the ACCA from 2012 to 2023 and had held various senior positions as Head of Education, ASEAN/Asia Pacific, Regional Consultant, ASEAN & ANZ and Education Relationships Lead. During her 12 years services, she was responsible to oversee strategies and growth of operations with leadership team in areas such as evaluation of financials, monitoring and risk assessment and develop solution focusing on financial sustainability, driving customer satisfaction and process improvement. She has also participated in World Bank funded capacity building projects in Vietnam to support convergence of IFRS and Laos on advisory for the establishment of an effective structure of a professional accountancy organisation.

PROFILE OF DIRECTORS

WAN NOR AIDA BINTI WAN AZMI

Independent
Non-Executive Director



Malaysian



38



Female

She was appointed to the Board on 8 June 2023 as an Independent Non-Executive Director. She is the Chairman of the Remuneration Committee. She is also a member of the Audit and Risk Management Committee and Nomination Committee.

She is a Fellow member of the Association of Chartered Certified Accountants (FCCA, UK). She started her career with a major international accounting firm, Messrs PricewaterhouseCoopers in 2006 as a Senior Associate in audit, specialising in the consumer services industry. Subsequently, she joined Messrs PricewaterhouseCoopers South East Asia Consulting where she led various business transformation and advisory projects. She left the firm as an Associate Director in 2014. From 2014 to 2016, she served as an Expert Consultant with several United Nations agencies based in Malaysia and Bonn, Germany and had demonstrated senior experience in their finance transformation programmes. She then joined Teach For Malaysia as the Director of Growth, Strategy & Operations from 2016 to 2019 and was responsible for providing overall leadership in areas such as Strategy, Finance and Talent/ Human Resource. From 2019 to 2021, she was engaged by Arthur D. Little (Middle East) as a Finance Expert Advisor for its consulting services in Saudi Arabia and subsequently joined Messrs Ernst & Young (Middle East) as a Director for Business Consulting based in Bahrain/ Saudi Arabia. During the second half of 2021, she was engaged as an Expert Consultant to United Nations Economic Commission for Africa based in Ethiopia and led a critical strategic initiative and operational efficiency agenda of the United Nations in the African region. Currently, she is the Joint Managing Director & Partner of PEMANDU Associates and focuses on driving transformation programmes for developing nations and leading the firm's expansion in the African, Middle East and Asian regions.

She also holds directorship in other private limited company.

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 or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries;
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

The key senior management team is headed by Dato' Sydney Lawrance Quays. He is assisted by the following senior management team:

DATO' SYDNEY LAWRENCE QUAYS

Chief Executive Officer
Berjaya Food Berhad



CHIN WAN CHING (LOUISE)

Chief Financial Officer
Berjaya Food Berhad



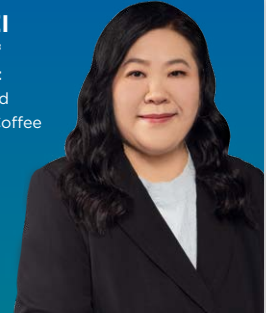
SOH SIEW WAN (ERICA)

Director of Real Estate
Berjaya Food Berhad
Berjaya Starbucks Coffee
Company Sdn Bhd



LEE SIEW FEI

**General Manager of
Group Procurement**
Berjaya Food Berhad
Berjaya Starbucks Coffee
Company Sdn Bhd



HOW SENG HUAT (ANDY)

General Manager
Berjaya Roasters (M)
Sdn Bhd



STEVEN ANTHONY SOOSAY

Director of Operations
Berjaya Starbucks Coffee
Company Sdn Bhd



CHUAH PAK NEE (SUANNE)

General Manager
Berjaya Paris Baguette
Sdn Bhd



ZAKIAH HANIM BINTI MD ZAKI

**Director of Marketing
& Category**
Berjaya Starbucks Coffee
Company Sdn Bhd



LUIS DANIEL

Director
Berjaya Jollibean (M)
Sdn Bhd
Ser Vegano Sdn Bhd



NYEOW JINN CHYUAN (NICHOLAS)

General Manager
Berjaya Food Trading
Sdn Bhd



KEY SENIOR MANAGEMENT

CHIN WAN CHING (LOUISE)**Chief Financial Officer**

Berjaya Food Berhad

She started her journey as a Financial Analyst in Starbucks Malaysia on 1 December 2008 and was promoted as Chief Financial Officer of Berjaya Food Berhad on 12 November 2020.

Louise is an accomplished finance executive with more than 20 years of vast experience in the field of accounting and finance across various service industries. She was part of the pioneer team that successfully led and extended the Starbucks market in Brunei under the company of Berjaya Food Supreme Sdn Bhd and set up both Berjaya Food Trading Sdn Bhd and Berjaya Paris Baguette Sdn Bhd in Malaysia.



Malaysian



53



Female

In her current position, Louise also spearheads the Finance and Account Department and Quality Assurance (QA) Department at Berjaya Starbucks Coffee Company Sdn Bhd, Berjaya Food Supreme Sdn Bhd, Berjaya Food Trading Sdn Bhd and Berjaya Paris Baguette Sdn Bhd, since its inception.

Louise earned her professional accounting qualification from the Association of Chartered Certified Accountants (ACCA) in 1995 and is a member of the Malaysian Institute of Accountants (MIA) since the year 2000.

SOH SIEW WAN (ERICA)**Director of Real Estate**

Berjaya Food Berhad

Berjaya Starbucks Coffee Company Sdn Bhd

She has 14 years of experience in the Food and Beverage industry and 6 years of Retail Planning and Leasing experience in the Shopping Mall industry. For her work in Real Estate Asset Management at McDonald's Malaysia, she earned the prestigious President's Award in Chicago, USA, which acknowledges the top 1% of employees worldwide.

Erica joined Berjaya Food Berhad on 5 April 2021 as the Director of Real Estate and works closely with the



Malaysian



47



Female

team on the strategic growth of Starbucks Malaysia and Brunei. Her experience allows her to strategise the accelerated expansion of Starbucks Drive-Thru stores while overseeing the store development of other brands within Berjaya Food Berhad.

She graduated with a Degree in Advertising and Marketing from the Limkokwing University of Creative Technology and remains passionate about the retail industry.

LEE SIEW FEI**General Manager of Group Procurement**

Berjaya Food Berhad

Berjaya Starbucks Coffee Company Sdn Bhd

Siew Fei is a seasoned executive with extensive experience in supply chain management. With a career spanning over three decades in the industry, she consistently focuses on delivering supply chain operational excellence and cost-saving initiatives.

Her professional journey in supply chain management has seen her excel in various leadership roles. She became General Manager of Berjaya Roasters (M)



Malaysian



58



Female

Sdn Bhd on 1 January 2011 and spearheaded the Marketing, Product Development, Quality Assurance, Human Resources, and Supply Chain departments.

Currently, she is leading the procurement, warehousing, food development, and logistics management departments for the Berjaya Food Berhad group of companies, where she focuses on cost optimisation and synergy within the Group.

KEY SENIOR MANAGEMENT

HOW SENG HUAT (ANDY)

General Manager

Berjaya Roasters (M) Sdn Bhd

Andy holds over 20 years of experience in the Food and Beverage industry. He began his career with Starbucks as a Store Manager in 2000, later becoming the Senior Store Development Manager. He has contributed significantly to expanding and increasing the Starbucks stores, particularly with the Starbucks Drive-Thru and Reserve™ concept stores. Given his strong leadership skills and solid business acumen, he became Director of Operations and Restaurant Development in 2018 at

Berjaya Roasters (M) Sdn Bhd. Andy became General Manager on 1 October 2022 and now oversees the day-to-day operational decisions for Kenny Rogers ROASTERS in Malaysia.

Andy graduated from McDonald's Hamburger University in 1996. He also attended numerous international industry conferences and workshops to stay updated with industry trends and best practices.



Malaysian



52



Male

STEVEN ANTHONY SOOSAY

Director of Operations

Berjaya Starbucks Coffee Company Sdn Bhd

Steven joined Starbucks Malaysia as a part-time Barista in 1999. As a long-time Starbucks partner (employee), he has directly shaped the growth and development of the operations of Starbucks stores across Malaysia. Known for his passion and commitment to Starbucks partners and their development, he has demonstrated the ability to successfully work across multiple departments while ensuring consistency in the Starbucks Experience.

Steven later held a Senior Manager role in several crucial departments, including the Compliance and Quality Assurance Department, Employee and Asset Protection Department, and IT Department, before his promotion to Director of Operations in 2019, managing the operations of Starbucks stores across Malaysia and Brunei. He is also part of the Senior Leadership Team and the Executive Committee of Starbucks Malaysia and Brunei.

As a store manager in 2003, Steven received the Manager of the Year award. His career progressed in 2006 with his promotion to a District Manager.

Steven holds a Bachelor's Degree in Business Information Systems.



Malaysian



43



Male

CHUAH PAK NEE (SUANNE)

General Manager

Berjaya Paris Baguette Sdn Bhd

Suanne holds 27 years of experience in the Hospitality and F&B Retail Operation industries at the core management level. She received her qualifications from the Domino Carlton Tivoli Hospitality Management School, Switzerland.

Maxx Coffee Singapore under OUE Group.

Suanne was attached with Berjaya Group for 5 years as Assistant General Manager to manage several brands such as Berjaya Krispy Kreme Doughnuts Sdn Bhd and Jollibean Foods Pte Ltd. Before joining Berjaya Food Berhad, she was the Country Manager at San Francisco Coffee which she joined since its inception in 1997 and spent 13 years developing the network not only in Malaysia but also Singapore, the Philippines, Hong Kong and Japan.

She joined Berjaya Paris Baguette Sdn Bhd as General Manager in year 2022 to set up the operations of the company.

Prior to Paris Baguette Malaysia, she spent 2 years working as General Manager, managing Delifrance Singapore and



Malaysian



50



Female

KEY SENIOR MANAGEMENT

ZAKIAH HANIM BINTI MD ZAKI**Director of Marketing & Category**

Berjaya Starbucks Coffee Company Sdn Bhd



Malaysian



45



Female

She has been an integral part of Starbucks since she began her journey with the company in 2004, from a part-time barista to a full-time partner. Zakiah is the current Director of Marketing and Category at Starbucks Malaysia and Brunei. In this role, she leads marketing initiatives and drives product innovations for the company by integrating critical functions such as Loyalty, Category, Creative, and Public Relations and Communications.

With her joining the Category Department in 2010, she was crucial in introducing profitable new product

innovations in beverages, food products, and retail merchandise items within Starbucks stores across Malaysia and Brunei. A milestone in her career came in 2018 when Zakiah initiated the first local designer collaboration for Starbucks Malaysia. This groundbreaking move kickstarted several other successful partnerships for the company.

Zakiah Hanim earned her Executive Diploma in Engineering Business Management from the University of Technology Malaysia, showcasing her ability to merge technical expertise with business acumen.

LUIS DANIEL**Director**

Berjaya Jollibean (M) Sdn Bhd

Ser Vegano Sdn Bhd



Malaysian



59



Male

He brings 40-years career within the Quick Service Restaurant (QSR) sector, having held pivotal roles in renowned brands such as McDonald's, Pizza Hut, and Kenny Rogers ROASTERS.

In 1994, Luis Daniel first joined the Berjaya Roasters (M) Sdn Bhd as a Restaurant Manager as one of the pioneering teams to set up and establish Kenny Rogers ROASTERS Malaysia. In 2010, he was promoted as General Manager in Roasters Asia Pacific (M) Sdn Bhd,

a central role in shaping the global growth of the Kenny Rogers ROASTERS brand. Luis joined as a Director in 2019 to oversee several brands including Berjaya Jollibean (M) Sdn Bhd and Ser Vegano (SALA) Malaysia.

Luis Daniel's professional growth is shaped by completing all management diploma and degree training courses within McDonald's, Pizza Hut, and Kenny Rogers ROASTERS respectively.

NYEOW JINN CHYUAN (NICHOLAS)**General Manager**

Berjaya Food Trading Sdn Bhd



Malaysian



40



Male

Nicholas has 17 years of Sales and Marketing experience, predominantly in the Fast-Moving Consumer Goods (FMCG) industry. He held crucial roles in commercial-related matters within multinational and medium-sized companies such as Kara Malaysia, Ayam Brand Malaysia and Unilever Malaysia.

He joined the team on 3 October 2022 as General Manager of Berjaya Food Trading, leading the team to grow the Consumer-Packaged Goods (CPG) business through new product development, channel expansion, go-to-market initiative, and marketing strategy plan.

He has been a jury and judging panel in various international and local marketing awards since 2020, which includes the WARC Awards for Effectiveness Global and the Marketing Excellence Awards Malaysia in 2023. He was a gold winner in the Malaysian CMO Awards (Millennial Marketing) in 2019.

Nicholas holds an MBA (Marketing) from University Putra Malaysia and a Bachelor's degree in Food Technology and Bioprocessing from University Malaysia Sabah.

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 or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries;
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



DEAR SHAREHOLDERS,

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 2023.



The velvety Starbucks Nitro Cold Brew, one of Starbucks Malaysia's many specialty offerings.

Financial Results

BFood registered increased sales and reduced pre-tax profit of RM1.12 billion and RM148.73 million respectively in the financial year ended 30 June 2023, compared to RM997.76 million and RM187.99 million respectively in the preceding financial year.

The increased sales was largely the result of strong marketing efforts and effective promotion methods in the current financial year under review, as well as the addition of stores in Malaysia. The decreased pre-tax profit was mainly due to margin compression caused by inflationary pressures, as well as an unfavorable foreign exchange rate against the USD.

Dividend

The Group announced and paid a total dividend of 3.50 sen single-tier dividend per share for the financial year ended 30 June 2023 as compared to 1.10 sen single-tier dividend per share for the preceding financial year ended 30 June 2022.

Future Prospects

The global economy is still facing significant challenges such as rising inflation, higher interest rates, and slower economic growth due to the Ukraine war and prolonged COVID-19 period since 2020.

Inflation is a major concern for many economies, causing

significant hardship for households, that are struggling to afford basic necessities. Rising interest rates are also a challenge for businesses and consumers as they make it more expensive to borrow money, which may eventually dampen economic activity. The war in Ukraine is also causing a negative impact on the global economy as it has disrupted trade and supply chains, leading to higher energy prices and hurting businesses and consumers around the world.

Despite these challenges, The International Monetary Fund (IMF) is forecasting global growth of 2.3% in 2023, a 0.4% increase over the January 2023 prediction.

CHAIRMAN'S STATEMENT

**REVENUE**

RM1.12
billion

(2022: RM997.76 million)

PRE-TAX PROFIT

RM148.73
million

(2022: RM187.99 million)

Closer to home, the Malaysian economy is also gradually growing due to broad-based expansion across industries, sustained domestic demand, and improving labor market conditions. This increased mobility is expected to boost the purchasing power of the communities. This suggests that Malaysian consumers and businesses are upbeat about the country's economic prospects, which resulted in increased individual spending and business investment and helped to boost economic growth. To tap into and capture this growth segment, the Group will continue to offer innovative products and services.

The Board is pleased to announce that BStarbucks has achieved unprecedented levels of efficiency in its promotional efforts and brand consistency. This has resulted in the company winning six awards in 2023, including the Putra Brand Awards, The Brand Laureate, CSR Malaysia Awards 2023, Asia Pacific Entrepreneurship Awards (APEA), Retail Asia Awards 2023 (Singapore), and Sustainability and CSR Malaysia Awards 2023.

BStarbucks' promotional efforts have included festive meal menus and selections, partnerships with local and global designers on exclusive collaborations, such as the BLACKPINK + STARBUCKS merchandise range and many other initiatives. These efforts have helped attract new customers and increase foot traffic in stores.

The company's commitment to brand consistency has been evident in its use of high-quality ingredients, its consistent service standards, and its commitment to sustainability. These factors have helped build trust and loyalty among customers. Simultaneously, BFood also made an effort to reduce manufacturing costs while enhancing operational efficiencies in order to increase the effectiveness of the business operations.

Malaysia's plant-based consumption has also increased. As a result of this, we have launched vegan products such as burritos and tacos from SALA, dairy and egg-free ice-cream from BKelava and soy-based products from BJoybean. Aside from that, several existing brands, such as Starbucks, have added healthier plant-based options to their menu.

Note of Appreciation

On behalf of the Board of Directors, I would like to express our gratitude to Datuk Zainun Aishah Binti Ahmad for more than 12 years of service as an Independent Non-Executive Director. Her leadership and guidance have been instrumental in the growth and success of our company. We wish her all the best in her future endeavours and we know that she will continue to be successful in whatever she does.

I would also like to extend a warm welcome to Datin Chee Yoke Kuan

and Madam Wan Nor Aida Binti Wan Azmi, who joined us on May 31, 2023 and June 8, 2023, respectively, as Independent Non-Executive Directors of the Company.

Their appointment will further strengthen our board and I am excited to work with them to achieve our goals. I am confident that Datin Chee and Madam Wan Nor Aida will bring valuable insights and expertise to our board. Their knowledge and experience will be invaluable as we continue to expand our business.

I would also like to take this opportunity to thank our leaders and employees, which include all the employees (partners) at Starbucks Coffee, employees at Kenny Rogers ROASTERS, as well as workers at SALA, BKelava, Paris Baguette and other brands, for their perseverance, support, and unwavering efforts in getting us this far. I believe that we are able to provide valuable services to our clients through concerted efforts from all parties.

I would also like to express my deepest appreciation and gratitude to our customers, business partners, and valued shareholders for their ongoing support and belief in the Group.

Lastly, I would like to thank our fellow members of the Board for their counsel and guidance. Your insights and expertise have been invaluable in helping us make decisions that have benefited our company.

Thank you.

Dato' Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin
Chairman

MANAGEMENT DISCUSSION & ANALYSIS



Starbucks Danau Kota Drive-Thru.



STARBUCKS®

BERJAYA STARBUCKS COFFEE COMPANY SDN BHD

Overview






Berjaya Starbucks Coffee Company Sdn Bhd (“BStarbucks”) is a wholly-owned subsidiary of Berjaya Food Berhad (“BFood”). The nature of BStarbucks’ business is to sell high-quality whole bean coffees, along with espresso beverages, freshly brewed coffees, cold blended beverages, a variety of pastries and confectionaries, coffee-related equipment and accessories, and a selection of premium teas, among others.

As at 30 June 2023, BStarbucks has 393 stores located throughout Malaysia.

 **Total: 393 stores**



Store Location by Region

-  **East Coast: 19**
 Pahang: 14
 Kelantan: 3
 Terengganu: 2
-  **East Malaysia: 32**
 Labuan: 1
 Sabah: 16
 Sarawak: 15
-  **Southern: 54**
 Johor: 38
 Melaka: 10
 Negeri Sembilan: 6
-  **Northern: 67**
 Penang: 38
 Kedah: 12
 Perak: 16
 Perlis: 1
-  **Central: 221**
 Kuala Lumpur: 101
 Selangor: 114
 Putrajaya: 6

Revenue

In the financial year 2023, BStarbucks’ revenue increased to RM1.0 billion from the RM884.2 million recorded in the previous financial year. This substantial growth is attributed to new store expansion and normalisation of consumer spending supported by income and employment growth as a result of post COVID-19 market recovery and loosening movement restrictions since April 2022.

MANAGEMENT DISCUSSION & ANALYSIS

During the review period, BStarbucks recorded 37 new store openings, an increase to 393 from 356 stores. The central region recorded 25 new stores opening, while 12 new stores opened outside of this region. Of these 37 new stores, 7 of those were Drive-Thru concept stores. As a result, BStarbucks has a total of 77 drive-thru stores across the nation.

Over the same period, BStarbucks introduced the Mobile Order & Pay (MOP) where customers can order and pay through the Starbucks Malaysia mobile app to enhance their purchasing experience. The company also began capitalising on social media and influencer marketing as a cost-effective way to enhance brand and product awareness across Malaysia.

BStarbucks continues to lead the coffee industry through its exceptional service, responsible shareholder growth, and commitment to sustainability via resource positivity. During the financial year, the company installed 27 Electric Vehicle (EV) charging stations at 17 stores across Klang Valley, Penang, Malacca, and Johor. This initiative marks a significant milestone, distinguishing BStarbucks as the first retail coffee chain in Malaysia to participate in the effort to promote sustainability through decarbonisation.

The post-pandemic period recorded an increase in health awareness among the public. As a result, BStarbucks introduced the Syrup Deconstruction Program. This Program allows customers to customise the sweetness level of their drinks without affecting the quality and flavour profile of the beverages. Additionally,

BStarbucks now offers plant-based food and beverage options. This initiative seeks to fulfil customer demand while promoting sustainable living.

BStarbucks continues to propel tactical programmes which are essential in driving revenue growth. Such programmes include collaborations with international and local brands for the launch of promotional merchandise, the promotion of sustainable products, and calculated promotions.

Profit Before Tax

BStarbucks recorded a profit before tax of RM165.6 million compared to RM193.5 million in the previous financial year. The recorded lower profit before tax was primarily driven by elevated product cost and supply chain expenses, which were a result of the impact of rising commodity costs and the strengthening of the US currency. Additionally, higher labour costs, attributed to revised minimum wages and amended Amendment of Employment act. These financial challenges were partially mitigated by strategic pricing adjustments.

Future Prospects

In the financial year 2024, BStarbucks will capitalise on store expansion and continue to penetrate into second-tier cities by opening 40 - 45 stores in these areas. In tandem with that plan, the new stores emphasis on unique and elevated designs with relevant local elements to create affinity for the locals while strengthening its brand presence across the country. In the new financial year, BStarbucks will achieve the store expansion milestone of opening its 400th Starbucks store and 3rd Starbucks Signing Store in Malaysia.

In addition, BStarbucks will strengthen brand awareness and position our brand as an aspirational company by creating more engaging activities emphasising the customer experience through service and product innovations. BStarbucks will continue to enhance the momentum of the food program by further elevating core menu range and delivering exceptional food experience to customers as a premium industry-leading quality coffee brand in the market.

Capitalising on the power of the digital space, BStarbucks will leverage social trends through more collaborations with celebrities and designer brands. The company will also launch more member exclusive offers, gifts, and Starbucks Cards to drive member acquisition while deepening brand loyalty.

Moving forward to the financial year 2024, BStarbucks will implement various cost mitigation measures including localised sourcing of materials or furniture for store opening to effectively manage the profitability of the company as well as to weather any global economic headwinds. The company will continue to prioritise business optimisation and operation efficiency concurrently investing in the labour workforce and digitalisation systems to drive growth and fuel upcoming store expansions.



Starbucks Shell LDP Puchong Drive-Thru.

MANAGEMENT DISCUSSION & ANALYSIS



With every cup, with every conversation, with every community - we nurture the limitless possibilities of human connection.

BERJAYA FOOD SUPREME SDN BHD

Overview

Berjaya Food Supreme Sdn Bhd (“BFS”) was incorporated in Brunei in September 2013. Berjaya Food (International) Sdn Bhd owns an 80% stake in BFS. The company’s principal business engages in operating Starbucks retail stores in Brunei. The country’s first Starbucks store opened in the Mabohai Shopping Complex on 16 February 2014. As at 30 June 2023, BFS has 4 Starbucks stores, including 1 drive-thru concept store.

Revenue

For the financial year ended 30 June 2023, revenue increased to B\$3.0 million, marking a 15% growth from B\$2.6 million recorded in financial year 2022. This was due to the revenue improvement from existing stores and the relocation of a non-operating store in the financial year 2022, which has reopened and resumed operations in this financial year.

Profit Before Tax

In the financial year ended 30 June 2023, BFS achieved a profit before tax of B\$546K as compared to a profit before tax of B\$641K in the financial year 2022. The lower profitability was due to the relocation cost for the non-operating store and the cost impact from global economic challenges.

Future Prospects

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



BFS successfully introduced the magic of Starbucks to Brunei.

MANAGEMENT DISCUSSION & ANALYSIS

BERJAYA FOOD TRADING SDN BHD

Overview

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

The company is in the business of distributing premium Consumer Packaged Goods (“CPG”) such as Dilmah Ice Tea Ready-To-Drink (“RTD”) and Joybean’s premium soy milk and Ready-To-Eat (“RTE”) products to all retailers across Malaysia such as Starbucks, Kenny Rogers ROASTERS, 7-Eleven, AEON, Village Grocer, Jaya Grocer, Petrol Marts, and CU Marts, among others.

As at 30 June 2023, BFT has approximately 5,500 distribution outlets across Malaysia and Brunei.

Revenue

For the financial year ended 30 June 2023, BFT recorded a revenue of RM8.7 million compared to RM13.7 million in the financial year 2022. The decrease in revenue was due to the discontinuation of the Starbucks RTD products.

Loss Before Tax

For the financial year ended 30 June 2023, BFT incurred a loss



Joybean RTD series bottled soymilk with Original, Collagen, and Kurma flavours.

of RM498,000 compared to a profit before tax of RM1.4mil in the previous financial year. The loss before tax was mainly due to inflationary product costs due to supply chain disruption in tandem with the discontinuation of Starbucks RTD products during the year.

Future Prospects

BFT will continue to focus on diversifying the portfolio of Joybean’s house-brand products. The goal is to expand market presence through new product development and extension, offering a wider range of products to meet market demand.

Additionally, BFT is committed to expanding the distribution of Joybean products across Malaysia while exploring opportunities in neighbouring regions to broaden its distribution and expand its portfolio.

Furthermore, BFT has strategic plans to introduce new agency brands specialising in health-focused beverages. This strategic move aims to enhance the company’s revenue streams and create excitement in the market. To achieve strong brand visibility and brand expansion, attractive marketing initiatives and strategic corporate partnerships will be implemented in the market.

Joybean offers an extensive range of RTE snacks that are available in a wide variety of flavours.



MANAGEMENT DISCUSSION & ANALYSIS



Kenny's Rotisserie-roasted whole chicken.

BERJAYA ROASTERS (M) SDN BHD

Overview

Berjaya Roasters (M) Sdn Bhd ("BRoasters"), a wholly-owned subsidiary of Berjaya Food Berhad ("BFood"), is the master franchisee of the Kenny Rogers ROASTERS (KRR) restaurant chain in Malaysia. It offers a mid-casual dining setting with rotisserie-roasted chicken as its main menu, complemented by a decadent variety of hot and cold side dishes. Other menu items include Kenny's Famous Homemade Muffins, vegetable salads, pasta, soups, desserts, and beverages served in a friendly and comfortable environment.

During the financial year ended 30 June 2023, BRoasters' key focus was to increase revenue. The company carried out various tactical promotion activities and Limited-Time-Offer (LTO) campaigns to entice customers. BRoasters also carried out strategic collaborations with food aggregators, corporates, and online

digital partners such as e-wallet providers, telecommunication companies, and e-commerce platforms to expand revenue streams from its online presence and drive footfalls to its restaurants.

KRR continuously strives to enhance its product offerings and appeal to customers through product innovation. The menu began to offer a wide variety of burger meals, chicken chop meals, and Malaysian menu selections. Localised dishes now available include the *Citarasa Malaysia* line of dishes, which include the beloved *Nasi Lemak* (coconut rice) and Hainanese Chicken Rice, and popular Malaysian finger foods, namely spring rolls, onion rings, and chicken rolls. The development of these diverse options caters to the young and dine-in group demographics.

As at 30 June 2023, BRoasters operates 70 KRR restaurants with 10 sub-franchisee stores across Malaysia.

Revenue

For the financial year ended 30 June 2023, BRoasters recorded a revenue of RM69.4 million, a decrease of 2.9% compared to RM71.5 million in the

previous financial year. The lower revenue was mainly due to a decline in footfalls and subdued consumer sentiment in the second half of the financial year, attributed to the rising cost of living and interest rates.

During the financial year under review, BRoasters opened 7 new stores and closed 5 non-performing stores.

Loss Before Tax

BRoasters registered a loss before tax of RM4.7 million during the financial year ended 30 June 2023, compared to the profit before tax of RM6.2 million in the previous financial year. The loss before tax was because of the escalated cost of raw materials and logistics. Additionally, compliance with the revised minimum wages as outlined in the amendment of the Employment Act, contributed to the increased labour cost.

Future Prospects

BRoasters will stay agile and will strategise to adapt to the changing economic environment in the upcoming financial year. The company will offer a range of customer-centric products with affordable pricing through menu innovation and strategic pricing. BRoasters will reduce operating costs by implementing cost optimisation initiatives and leveraging synergy with BFood group procurement. BRoasters plans to remodel and refresh selected stores in the new financial year to enhance competitiveness.



Kenny Rogers ROASTERS East Coast Mall.

MANAGEMENT DISCUSSION & ANALYSIS



Jollibean[®]
We've been spreading joy

The Jollibean soymilk and Mee Chiang Kueh set.

Jollibean Foods Pte Ltd

Overview

Jollibean Foods Pte Ltd (“Jollibean Foods”) holds the exclusive worldwide rights to develop, franchise, operate, and manage all outlets, stalls, and kiosks, and distribution rights for the products under the brand names of Jollibean, Sushi Deli, Kopi Alley, and Kopi Alley Plus in Singapore.

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 2023, Jollibean Foods operates 19 outlets under the brand name ‘Jollibean’ in Singapore.

Jollibean Foods’ ‘Sushi Deli’ outlets serve an array of ‘pick-and-choose’ sushi, assorted sashimi sets, sushi and maki sets, Japanese salads, bento sets, party platters, and Japanese sweets like Tofu Cheesecake. As at 30 June 2023, Jollibean Foods operates 9 Sushi Deli outlets.

Revenue

For the financial year ended 30 June 2023, revenue was reduced by 11.6% at S\$6.1 million from S\$6.9 million

in the previous financial year. This decline was attributed to several factors, such as weakening consumer sentiment, reduced foot traffic in the Central Business District (CBD) due to evolving trends in flexible work arrangements, the increasing cost of living, and economic outlook uncertainty in Singapore. It’s worth noting that despite the lifting of COVID-19 restrictions and the resumption of the workforce, these challenges persisted.

Furthermore, as a result of the post COVID-19 impact, consumers tend to have more sensitivity to prices in terms of spending. Their preferences also shifted towards freshly prepared hot meals rather than quick grab-and-go or takeaway options.

During the financial year under review, Jollibean Foods expanded 2 new stores and closed 3 under-performing stores in response to the evolving market conditions.

Loss Before Tax

During the financial year under review, Jollibean Foods incurred a loss before tax of S\$1.69 million compared to the loss before tax of S\$1.25 million registered in the previous financial year. The factors contributing to this loss include inflated costs of goods, escalated operational expenses and as a result of the adverse economic consequences stemming from the post COVID-19 impact.

Future Prospects

As part of its forward-looking business strategy, Jollibean Foods has set in motion plans to rebrand both the Jollibean and Sushi Deli brands by revamping current store design and product packaging to create a fresh and appealing look. Additionally, Jollibean Foods is committed to enhancing the customer experience by developing a Customer Relationship Management (CRM) system in self-ordering kiosks located in selected stores. With the implementation of self-ordering kiosks will streamline the ordering and purchasing process, addressing challenges related to labour shortage.

To maintain a competitive edge in the market, Jollibean Foods will continue to drive key tactical programmes in terms of introducing innovative product offerings, including supplemental nutrition soymilk varieties such as Pretty Soymilk and Smart Soymilk, as well as the introduction of innovative product offering like Pizza MCK and waffles in Jollibean. For Sushi Deli, exciting additions like the teriyaki chicken and spicy chicken sandwich bento will be made available.

Furthermore, Jollibean Foods aims to entice customers with an attractive and affordable monthly subscription programme not only to boost sales and draw footfalls, but also offer subscribers attractive benefits, including a daily free cup of soymilk, exclusive discounts, and exciting bundle deals through this subscription program.

Jollibean Foods aims to strengthen brand awareness through active digital marketing by sharing compelling content regularly and engaging with sustainable Key Opinion Leaders (KOL) to reach out to the younger generation.

MANAGEMENT DISCUSSION & ANALYSIS



BERJAYA JOLLIBEAN (M) SDN BHD

Overview

Berjaya Jollibean (M) Sdn Bhd (“BJoybean”) is a wholly-owned subsidiary of Berjaya Food (International) Sdn Bhd. Adopting the same principles of its holding company, Joybean serves freshly made soy-based beverages and local snacks.

Since October 2022, BJoybean has changed its business model to a ‘Production and Supply’ concept. The company produces and supplies Joybean soy milk to targeted small food and beverage chains, convenience stores, and *kopitiam*s.

Revenue

For the financial year ended 30 June 2023, BJoybean registered a higher revenue of RM0.40 million compared to RM0.22 million in the previous financial year. This revenue growth was due to distribution point expansion, particularly through partnership with convenience stores and the optimisation of production capacity.

Starting from November 2022, BJoybean embarked on a successful venture, launching and commencing supply operations to selected 7CAFés nationwide, contributing to this remarkable revenue increase.

Loss before Tax

BJoybean incurred a loss before tax of RM0.42 million during the financial year under review, showing a slight improvement compared to a loss before tax of RM0.46 million in the previous financial year.

The slight reduction in loss before tax during the financial year under review was due to the strategic closure of all non-performing outlets and a comprehensive restructuring of the business model. These initiatives and strategies adopted in the production and supply are set to enhance productivity and efficiency in both operational and administrative procedures.

Future Prospects

With the introduction of the new business concept, Joybean anticipates an improved business performance in the year ahead. Our strategy ahead involves the ongoing supply to the 7CAFés as well as actively exploring opportunities for distribution point expansion by extending supply to small-scale Food & Beverage (F&B) chains, convenience stores, and *kopitiam*s. This approach aligns with our growth objectives and positions us for increased market presence.

MANAGEMENT DISCUSSION & ANALYSIS

SER VEGANO SDN BHD**Overview**

Ser Vegano Sdn Bhd (“Ser Vegano”) opened its first 100% vegan Tex-Mex restaurant, SALA, in 2017, which is located at Desa Sri Hartamas, Kuala Lumpur. In Spanish, SALA means “living-room” and it is also an acronym for “Salvar a los Animales” or “Save All Living Animals”.

SALA’s ingredients are 100% plant-based, with fewer calories and cholesterol and higher clean protein. More importantly, the company does not harm or use any animal products in its dishes. Besides its signature offerings, such as burritos and tacos, SALA also transforms famous local staples like the Malaysian *Nasi Lemak* to give them a healthier and cleaner twist. In August 2020, Berjaya Food (International) Sdn Bhd completed the acquisition of 50% equity interest in Ser Vegano.

As at 30 June 2023, Ser Vegano has 7 stores in the central region.

Revenue

For the financial year ended 30 June 2023, Ser Vegano registered a lower revenue of RM2.6 million compared to the RM3.0 million in the previous financial year. The reduction of revenue is contributed by the temporary closure of 1 store during the financial year. Additionally, the business experienced a decline in foot traffic and average transaction size as consumers are more vigilant with their spending due to rising cost of living and tightening financial conditions.

During the financial year under review, there was a relocation from Desa Parkcity to Starling Mall.



From classic Tex-Mex to Malaysian fusion, the diverse flavours of SALA’s vegan tacos will excite anyone’s taste buds.

Loss Before Tax

For the financial year ended 30 June 2023, Ser Vegano incurred a loss before tax of RM2.1 million as compared to the RM1.7 million in the previous financial year. The increased loss was due to impairment expenses recognised for 2 under-performing outlets.

Future Prospects

Moving into the financial year 2024, Ser Vegano will focus on optimising the existing strategically positioned stores. Ser Vegano aims to explore and launch a food truck business model to enhance the brand’s presence while extending its reach into diverse locations to attract new customers, thus generating additional sales for the company.

Furthermore, the company aims to boost brand awareness through active participation in relevant events and tradeshows.

The company will introduce an array of innovative plant-based menu offerings. The development of these culinary creations aims to captivate the market by providing its customers with fresh and delightful options.

To solidify the brand’s presence and reach, Ser Vegano is committed to accelerating its comprehensive marketing efforts by propelling exciting promotional campaigns through the utilisation of local store marketing programmes and food aggregator platforms. Additionally, the company will strengthen its brand presence across various social media channels and corporate profiling.

MANAGEMENT DISCUSSION & ANALYSIS



Rich and creamy plant-based handcrafted KELAVA ice cream.

BERJAYA KELAVA SDN BHD

Overview

KELAVA is a local vegan ice cream brand, founded back in 2017. In November 2021, Berjaya Food (International) Sdn Bhd entered into KELAVA by subscribing 51% of the issued share capital of a newly formed company named as Berjaya Kelava Sdn Bhd (“BKelava”).

The name “KELAVA” is a portmanteau of the words *kelapa* (coconut) and ‘love’. Containing only plant-based ingredients in its ice cream base, BKelava brings smooth indulgence to the tastebuds of ice-cream lovers. BKelava introduced a variety of local flavoured ice-creams in the market, including Salted Gula Melaka, *Onde-Onde*, Coffee Latte, and many more. BKelava ice cream provides a nutritious and healthy treat, suitable for all ages.

In promoting conscious consumption and making dairy-and-egg free options more accessible and desirable to everyone, BKelava distributes its products primarily via the wholesale market, which include the modern trade supermarkets and hotel-restaurant-cafe (HORECA) business segments.

Since December 2022, BKelava also operates one retail outlet selling scoops directly to the public.

As at 30 June 2023, BKelava has approximately 50 distribution points throughout the central and west coast regions such as Klang Valley, Penang, and Johor.

Revenue

For the financial year ended 30 June 2023, BKelava recorded a total revenue of RM257,000 compared to the RM122,000 recorded in the previous financial year. The notable growth in revenue was attributed to proactive FMCG distribution point expansion as well as the opening of the first retail outlet at Berjaya Times Square in December 2022.

Loss Before Tax

For the financial year ended 30 June 2023, BKelava incurred a loss before tax of RM861,000 compared to the loss before tax of RM170,000 in the previous financial year. The increase in loss was due to rising operational expenditures and the preliminary cost for the opening of the first retail outlet.

Future Prospects

BKelava will continue to concentrate on its expansion in wholesale business by further penetrating into the local modern trade supermarket and HORECA segments with Berjaya Food Trading.

BKelava is set to make its debut in international markets during the upcoming financial year. The company plans to initiate exports to Singapore and Thailand. This sustainable and strategic move is expected to create new avenues for both brand growth and brand recognition.

BKelava plans to open its second retail outlet in the central region. This expansion will enhance their local presence and cater to the growing demand for their products.



Dato Sydney Quays, Tan Sri Vincent Tan, and Azlan Alladin at the official opening event of KELAVA's first retail outlet in Berjaya Times Square in December 2022.

AWARDS AND RECOGNITIONS

Berjaya Food Berhad (“BFood”) believes in continuously improving itself every day to ensure its customers, people, and investors can succeed together. As a result, the Group is proud to have received recognition and won numerous awards throughout the Financial Year 2023. These awards showcase the wide scope of excellence that the Group strives for in the work that it does.



1

MALAYSIA Tourism Gold Awards

- Gold Award, F&B Tourist Choice of The year 2022

Company
Starbucks Coffee

Date
22/10/2022

Category
Food & Beverage



2

THE EDGE - BILLION RINGGIT CLUB AWARDS

- Highest Returns To Shareholders Over Three Years

Company
BFood

Date
31/10/2022

Category
Consumer Products & Services Sector



3

AMERICAN CHAMBER OF COMMERCE (AMCHAM)

- Excellence in Corporate Social Responsibility
- (CSR) All Star Awards

Company
Starbucks Coffee

Date
17/11/2022

Category
AMCHAM CARES



4

HR ASIA

- Best Companies to Work For In Asia

Company
Starbucks Coffee

Date
Dec 2022

Category
Malaysia Chapter

AWARDS AND RECOGNITIONS



5

PUTRA BRANDS AWARDS 2022

- The People's Choice Silver

Company
Starbucks Coffee

Date
13/01/2023

Category
Restaurant & Fast Food



6

THE BRAND LAUREATE (The Grammy Awards for Branding)

- Brand Laureate Sustainable Business & Brands Inspirational Achievement Best Brands Awards 2022-2023

Company
Starbucks Coffee

Date
21/03/2023

Category
Retail F&B



7

THE BRAND LAUREATE (The Grammy Awards for Branding)

- Brand Laureate Sustainable Business & Brands Inspirational Achievement Best Brands Awards 2022-2023

Company
Paris Baguette

Date
21/03/2023

Category
Bakery Chain



8

ASIA PACIFIC ENTREPRENEURSHIP AWARDS (APEA)

- Corporate Excellence Award

Company
Starbucks Coffee




Date
02/06/2023

Category
Corporate Excellence Category

AWARDS AND RECOGNITIONS



ASIA PACIFIC ENTREPRENEURSHIP AWARDS (APEA) • Inspirational Brand

-  **Company**
Starbucks Coffee
-  **Date**
02/06/2023
-  **Category**
Restaurant & Fast Food






ASIA PACIFIC ENTREPRENEURSHIP AWARDS (APEA) • Dato' Sydney Quays, Master Entrepreneur

-  **Company**
BFood
-  **Date**
02/06/2023
-  **Category**
Food & Beverage



Retail Asia Awards 2023 • Sustainability Initiative of the Year - Malaysia

-  **Company**
Starbucks Coffee
-  **Date**
15/06/2023
-  **Category**
Retail F&B

GROUP FINANCIAL SUMMARY

Description	2023	2023	2022	2021	2020	2019
	USD'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	238,149	1,115,966	997,762	717,337	632,939	788,976
Profit/(Loss) Before Tax	31,740	148,734	187,992	74,726	(8,479)	46,563
Profit/(Loss) After Tax	21,575	101,102	122,665	45,726	(20,086)	24,178
Profit/(Loss) Attributable To Shareholders	22,067	103,404	124,776	47,112	(19,582)	24,376
Share Capital	55,041	257,920	257,920	246,774	243,938	243,742
Reserves	68,403	320,537	275,157	170,184	131,158	157,314
Equity Funds	123,444	578,457	533,077	416,958	375,096	401,056
Treasury Shares	(18,209)	(85,328)	(45,437)	(41,388)	(42,145)	(35,730)
Net Equity Funds	105,235	493,129	487,640	375,570	332,951	365,326
Non-controlling Interests	(1,165)	(5,460)	(2,968)	(1,030)	357	1,218
Total Equity	104,070	487,669	484,672	374,540	333,308	366,544
Share Application Money	-	-	-	184	-	-
	104,070	487,669	484,672	374,724	333,308	366,544
Long Term Liabilities	96,949	454,303	445,764	407,265	430,524	140,110
Current Liabilities	107,591	504,171	407,898	395,663	465,280	350,196
Total Equity and Liabilities	308,610	1,446,143	1,338,334	1,177,652	1,229,112	856,850
Property, Plant & Equipment	70,876	332,121	293,433	269,017	286,046	275,456
Right-of-use Assets	90,712	425,077	381,093	325,717	351,615	-
Intangible Assets	99,721	467,293	459,723	458,149	458,257	459,631
Other Non-Current Assets	11,317	53,030	26,096	25,627	30,030	30,844
Current Assets	35,984	168,622	177,989	99,142	103,164	90,919
Total Assets	308,610	1,446,143	1,338,334	1,177,652	1,229,112	856,850
Net Assets Per Share (US\$/RM)#	0.06	0.28	0.27	0.21	0.19	0.20
Net Earnings/(Loss) Per Share (Cents/Sen)#	1.26	5.88	6.93	2.66	(1.10)	1.33
Dividend Per Share (Cents/Sen)#	0.75	3.50	1.10	0.60	0.40	0.80
Total Net Dividend Amount (USD'000/RM'000)	13,102	61,398	19,716	10,680	7,096	14,482

Notes:

Figures for 2019 were for 14 months ended 30 June 2019, and 2020-2023 are 12 months ended 30 June. The earnings/(loss) per share is calculated based on the weighted average number of shares with voting rights in issue.

The earnings per share for 2022 as disclosed in Note 27 to the financial statements is calculated based on weighted average number of shares after adjustment for the bonus issue on the basis of four (4) bonus shares for every one (1) existing ordinary share ("Bonus Issue") that was completed during the year, in accordance to the Malaysian Financial Reporting Standard 133: Earnings per share.

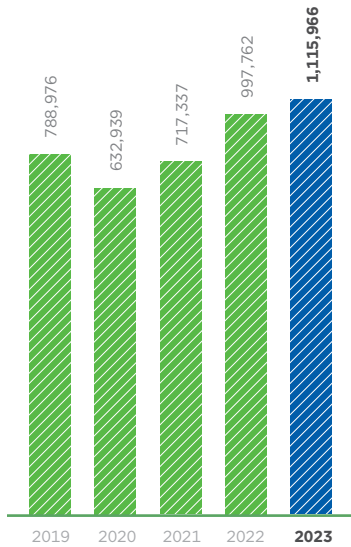
For illustration purposes, the figures for 2019 to 2022 have been adjusted for the Bonus Issue to reflect a fairer presentation.

Exchange rate: US\$1.00=RM4.6860

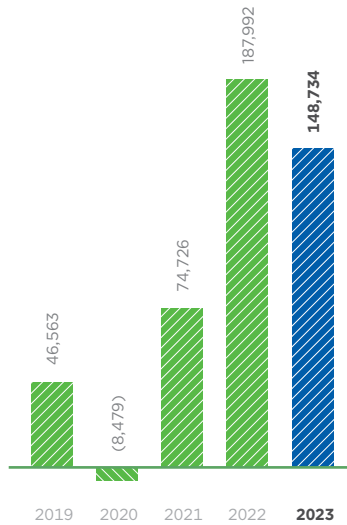
GROUP FINANCIAL HIGHLIGHTS



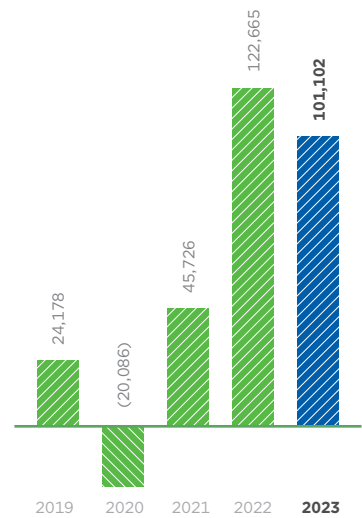
REVENUE (RM'000)
RM1,115,966



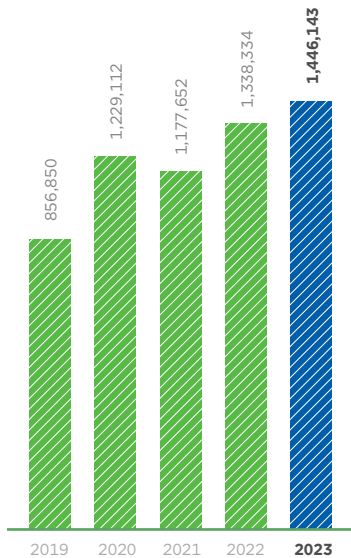
PROFIT/(LOSS) BEFORE TAX
(RM'000)
RM148,734



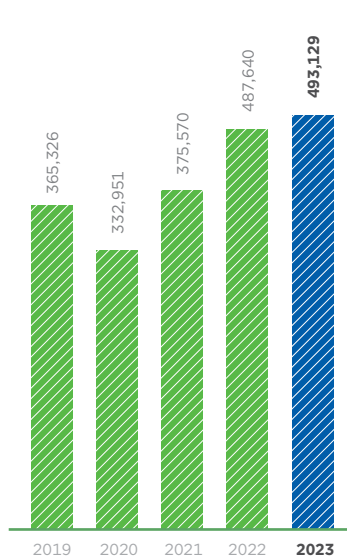
PROFIT/(LOSS) AFTER TAX
(RM'000)
RM101,102



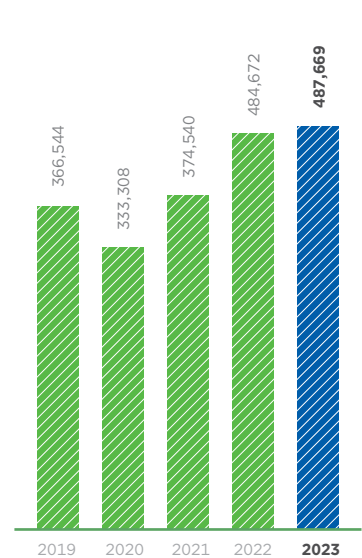
TOTAL ASSETS (RM'000)
RM1,446,143



NET EQUITY FUNDS (RM'000)
RM493,129



TOTAL EQUITY (RM'000)
RM487,669



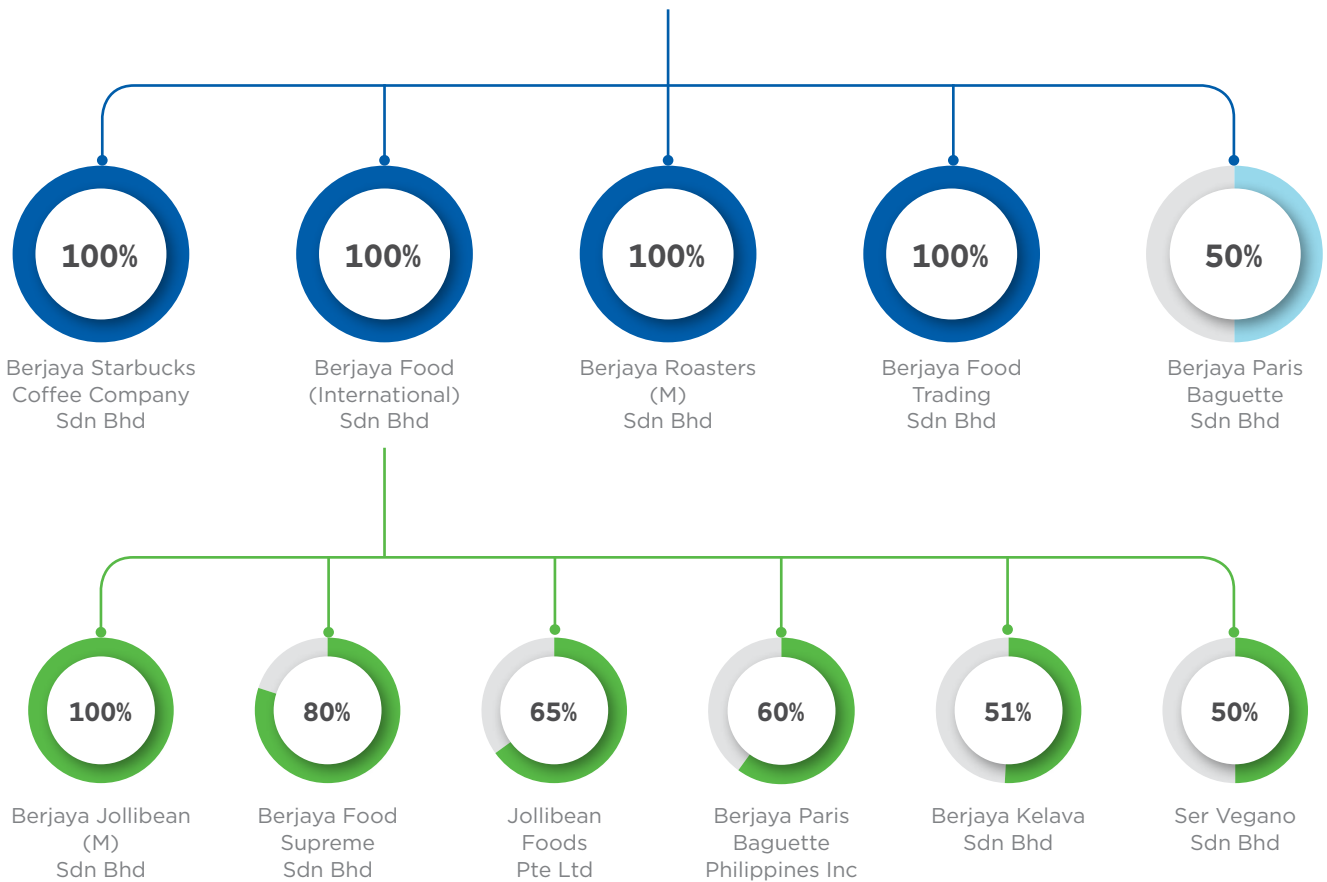
CORPORATE STRUCTURE

of Operating Companies as at 2 October 2023



BERJAYA BERJAYA FOOD BERHAD

[Registration No. 200901032946 (876057-U)]



Joint Venture

SUSTAINABILITY STATEMENT OVERVIEW



Welcome to Berjaya Food Berhad's ("BFood") Sustainability Statement 2023. The Group's dedication to sustainable practices remains at the forefront, guiding its steps towards a brighter, more sustainable future. This sustainability statement serves as a concise overview of BFood's commitment to sustainability. This statement presents an illuminating glimpse into BFood's sustainability journey in the following pages.

The past year has unfolded a dynamic tapestry of accomplishments, challenges, and profound gratitude. BFood is excited to share its progress on this journey, celebrating the strides taken in its sustainable practices. The Board of Directors and management team are proud to announce the publication of a dedicated sustainability report, the first of its kind in BFood's rich history, signifying a new era of transparency and accountability.

Together, we can drive positive change within the Food and Beverage industry through collective action and a commitment to responsible business practices and contribute to a better, more sustainable world for future generations.

The FTSE4Good Bursa Malaysia ("F4GBM") Index measures the performance of public listed companies which demonstrate strong ESG practices whilst the FTSE4Good Bursa Malaysia Shariah ("F4GBMS") Index is designed to track constituents in the F4GBM Index that are Shariah-compliant, according to the Securities Commission Malaysia Shariah Advisory Council screening methodology. BFood is a constituent of both the F4GBM Index and F4GBMS Index since its inclusion in these indexes in 2023. The Group is ranked top 25% by ESG Ratings among public listed companies in FTSE Bursa Malaysia EMAS Index by FTSE Russell, a subsidiary of the London Stock Exchange Group that produces, maintains, licenses, and markets stock market indices.



Reporting Scope and Boundary

This statement covers all principal business activities in Malaysia and Singapore, namely: Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks"), Berjaya Roasters (M) Sdn Bhd ("BRoasters"), Berjaya Jollibean (M) Sdn Bhd ("BJoybean"), Berjaya Food Trading Sdn Bhd ("BFT") Jollibean Foods Pte Ltd ("Jollibean Foods"), Ser Vegano Sdn Bhd ("Ser Vegano") and Berjaya Paris Baguette Sdn Bhd ("BPB").



References, Data and Restatement

All references to "BFood" or "Group" or collectively refer to BFood and all operating companies. "The Company" refers to the brand or company discussed.

Where available, data is collected and reported with help from existing management control and information systems to ensure the reliability of information flows and the accurate monitoring of sustainability performance.



Reporting Period

The financial year 2023 ("FY2023") from 1 July 2022 to 30 June 2023, unless otherwise stated.



Reporting Guidelines and References

- Global Reporting Initiative ("GRI") Standards
- Bursa Malaysia Sustainability Reporting Guide
- The United Nations Sustainable Development Goals ("UNSDGs")
- International Organisation for Standardisation ("ISO") 2600:2010 Guidance on Social Responsibility
- FTSE4Good Bursa Malaysia Index and other local and international sustainability ratings



Accuracy and Reliability of Content

BFood's Board of Directors ("Board") has approved the BFood Sustainability Statement 2023, parallel to the comprehensive Sustainability Report 2023, following a rigorous review by the management.



Feedback

For questions or comments regarding this statement and sustainability at BFood, please get in touch with us via email at customer@berjayafood.com.

SUSTAINABILITY STATEMENT

SUSTAINABILITY AS OUR MAIN COURSE


BFood’s primary focus is addressing the most critical sustainability challenges affecting the Group, stakeholders and communities. The Group aims to optimise its collective impact by continually reassessing and integrating these material issues into its business strategy and comprehensive operations. This top-down approach facilitates systemic transformations throughout the value chain, embodying sustainability as an integral part of corporate ethos, not just an action it takes.

BFood Sustainability Pillars

 <p>ECONOMIC SUSTAINABILITY</p> <p>Creating long-term value for shareholders and adding value for all stakeholders.</p>	 <p>ENVIRONMENTAL SUSTAINABILITY</p> <p>Striving to improve the Company’s environmental footprint, enhancing resource efficiency, reducing the waste produced by the business, and supporting conservation efforts.</p>	 <p>SOCIAL SUSTAINABILITY</p> <p>Dealing with customers and the public according to good market practices and regulatory requirements. Provide conducive workplace practices for the employees (partners) and community engagement through various initiatives for all stakeholders.</p>
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BFOOD STRATEGIC PRIORITIES

- 1




INVESTING IN OUR EMPLOYEES

Our employees (partners) are the heart of the BFood experience. BFood has founded its employee (partner) experience improvement efforts on a deep commitment to advance inclusion, diversity, and equity.
- 2



CARING FOR OUR COMMUNITIES AND THE PLANET

BFood takes responsibility for building a more sustainable, equitable, and resilient future for local communities and the planet. Striving to create the future it dreams of through the lens of humanity, BFood is deeply committed to global human rights, and responsible and ethical sourcing, ensuring it gives more than it takes from the planet.
- 3



ADVANCING EQUITY AND INCLUSION

BFood creates a culture of warmth and belonging where everyone is welcome and respected. BFood’s efforts to advance inclusion, diversity, and equity have already led to important policies, programmes, and initiatives.

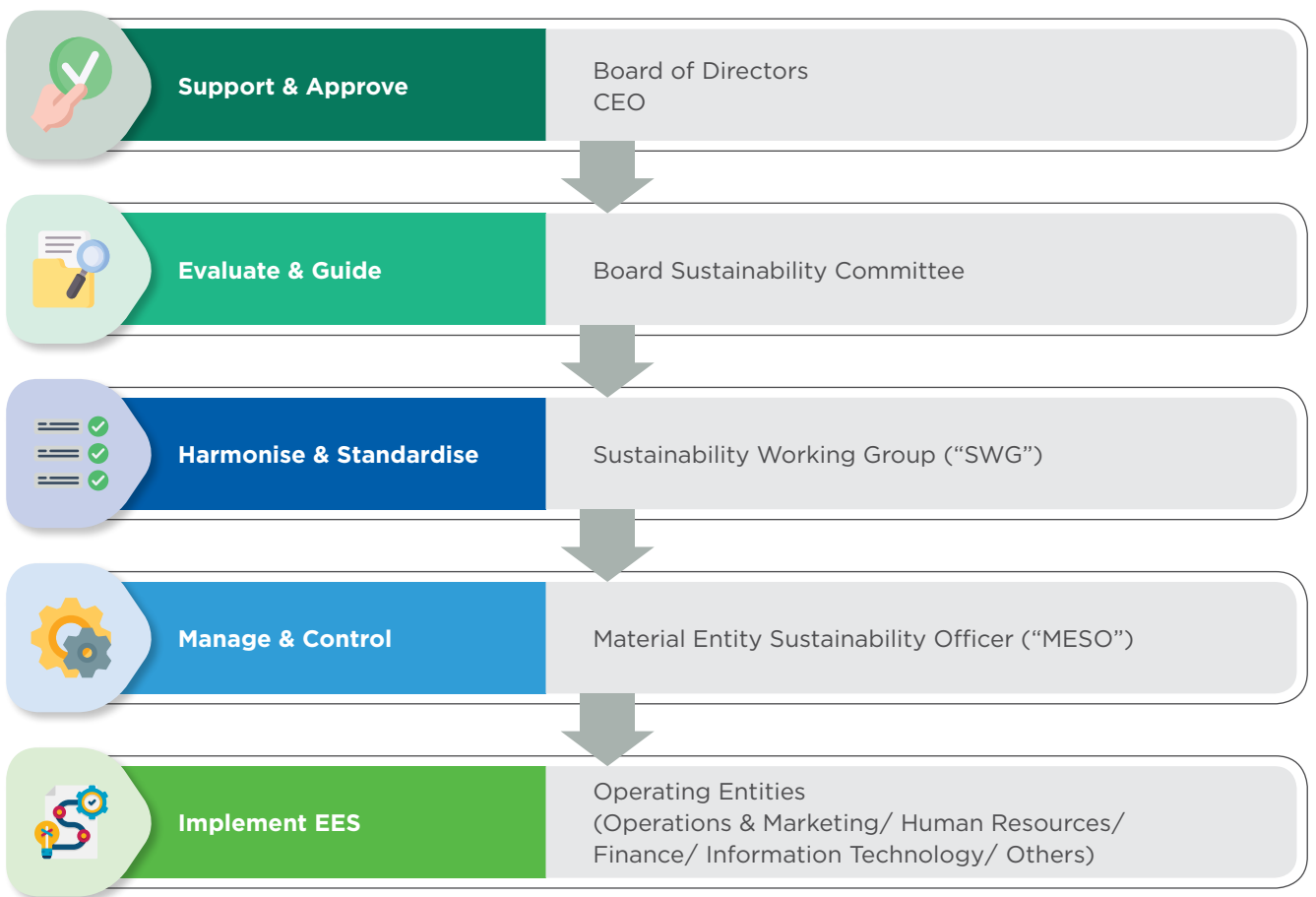
SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE

All levels of the Group, from policies and procedures to BFood’s programmes and value chain, are rooted in sustainability. BFood established a sustainability governance model as a foundation for developing sustainability strategies and targets that touch every facet of business operations.

The Board leads the Group’s sustainability agenda, supervising the execution of sustainability strategy and evaluating significant sustainability matters. The Sustainability Working Committee (“SWG”), reporting to the Board, is tasked with establishing the Group’s comprehensive corporate sustainability approach and ensuring performance alignment with sustainability targets and key performance indicators.

Sustainability Governance Structure



BFood’s brands apply global guiding principles, such as the Quality, Environmental, Health and Safety (“QESH”) and the Code of Conduct. These principles and the Group’s values promote a harmonised way of working towards sustainable development. BFood’s management approach covers procedures, processes and systems to manage and monitor material topics.

BFood ensures well-defined responsibilities through essential training. Monitoring sustainability performance involves utilising data from diverse sustainability tools and activities, including internal audits and compliance processes.








SUSTAINABILITY STATEMENT

BUILDING LASTING PARTNERSHIPS WITH STAKEHOLDERS

As a global brand, BFood engages with diverse stakeholders locally and internationally. Maintaining transparent and continuous communication with each stakeholder group allows the Group to discern and prioritise vital issues, shaping its business strategy to maximise stakeholder value.

BFood identifies its stakeholders using various criteria, including alignment with organisational goals and values, expertise, geographical location, and reputation. Engagement with stakeholders is an ongoing and pervasive practice involving employees, senior management, and the Board of Directors. The frequency of engagement is consistent, ensuring regular interaction with each stakeholder group, ranging from annual discussions to more frequent monthly or weekly engagements tailored to the nature and significance of the considered topics.

The following table summarises BFood’s stakeholder universe and how the Group interacts with each group.

Stakeholder Group	Engagement Platforms
<p>Government & Regulators</p> 	<ul style="list-style-type: none"> • Meetings and interactions with the regulators on policy matters on issues concerning the customers and the general public
<p>Customers</p> 	<ul style="list-style-type: none"> • Continuous efforts to serve customers more effectively using various feedback channels and initiatives
<p>Employees</p> 	<ul style="list-style-type: none"> • Internal engagement channels • Training and development programmes • Open communication through Town Hall sessions
<p>Contractors, Consultants & Suppliers</p> 	<ul style="list-style-type: none"> • Tendering and the procurement process • Regular meetings with suppliers to encourage and offer feedback on improving ways of working together
<p>Media</p> 	<ul style="list-style-type: none"> • Regular engagement and updates with the mainstream media • Media releases relating to crucial business development and corporate social responsibility (“CSR”) activities
<p>Communities, Non-Governmental Organisations (“NGOs”), Peer Companies, Industry Groups</p> 	<ul style="list-style-type: none"> • Consultations with NGOs, peer companies and industry groups for their expert opinions on corporate responsibility areas relevant to the business • Volunteering opportunities and charitable events
<p>Shareholders & Investors</p> 	<ul style="list-style-type: none"> • Communications via announcements to Bursa Securities, general meetings and BFood’s website • Conducting briefings and updates for analysts, fund managers and potential investors as and when required

SUSTAINABILITY STATEMENT

FOOD UNITES, WE ALIGN: BALANCING STAKEHOLDER NEEDS AND COMPANY PRIORITIES

A materiality study is an in-depth examination of key issues critical to stakeholders and BFood. In FY2022, the Group conducted a thorough materiality study which involved identifying and evaluating the impact and significance of various Economic, Environmental, Social and Governance factors. Through this strategic exercise, the Group can effectively prioritise actions and initiatives that align with stakeholder expectations and business objectives, ensuring a focused approach to sustainable growth and responsible business practices.

Relevant topics were selected based on their alignment with the business’ nature and stakeholder concerns. These issues were chosen after a comprehensive review of Environmental, Social, and Governance (“ESG”) aspects relevant to the industry, stakeholder inquiries, ESG rating agencies’ priorities, and the current challenges facing the industry, society, and the planet. BFood is committed to diligent management in each area, focusing efforts, monitoring performance, and setting targets to ensure accountability and continuous progress.





























Following a comprehensive review of the results this year, the management of BFood confirmed the continued relevance and significance of the identified material aspects. This review reaffirmed the Group’s commitment to addressing these key factors, aligning its business strategies with stakeholder expectations, and maintaining its focus on sustainable and responsible practices in the operations.

Insights gleaned from this study guide BFood’s decision-making processes, enabling it to prioritise actions that contribute to long-term sustainability objectives while meeting the needs of its stakeholders.

SUSTAINABILITY STATEMENT

BFood ensures that its sustainability practices contribute to local stakeholders and towards larger goals. The following table maps each material matter against the GRI and corresponding United Nations Sustainable Development Goals (“UNSDGs”).

Sustainability Pillar	Focus Area	What it means to BFood	GRI Topics	Corresponding UNSDGs
Economic 	Corporate governance	Manage its business strategy and sustainability processes to build financial integrity and deliver superior performance	<ul style="list-style-type: none"> Non-GRI topic <i>In compliance with the Malaysian Code on Corporate Governance</i> 	
	Risk management	Manage its product, supplier, business, and brand risks across the value chain	<ul style="list-style-type: none"> Non-GRI topic <i>In compliance with the Malaysian Code on Corporate Governance</i> 	
	Economic performance	Generate sustainable financial and economic returns, stakeholder value, and business sustainability	<ul style="list-style-type: none"> Economic performance 	  
	Sustainable supply chain	Source materials responsibly and work with supply chain partners to deliver the highest quality food	<ul style="list-style-type: none"> Procurement practices Supplier environmental assessment Supplier social assessment 	  
	Compliance	Comply with legal (e.g. anti-corruption and anti-competition) regulations and other core operational regulations (e.g. environment, labour law, safety and health, Good Manufacturing Practices (“GMP”) Halal, and Hazard Analysis, and Critical Control Points (“HACCP”) requirements	<ul style="list-style-type: none"> Anti-competitive behaviour Anti-corruption Environmental compliance Socio-economic compliance 	 
Environment 	Energy & climate change management	Use energy efficiently to minimise carbon emissions	<ul style="list-style-type: none"> Energy Emissions 	      
	Resource management	Use materials such as paper efficiently and also minimise water use, and manage its withdrawal	<ul style="list-style-type: none"> Water Materials 	 
	Waste management	Minimise waste and manage its disposal responsibly according to requirements by the authorities	<ul style="list-style-type: none"> Effluents and waste 	    

SUSTAINABILITY STATEMENT

Sustainability Pillar	Focus Area	What it means to BFood	GRI Topics	Corresponding UNSDGs
Social 	Employee wellness, engagement & satisfaction	Prioritise its employees' health and well-being through regular engagement to attract and retain the best talent	<ul style="list-style-type: none"> • Employment • Freedom of association and collective bargaining 	   
	Occupational safety & health	Uphold workplace safety for injury prevention and eliminate workplace health and safety risks through safety assessment at BFood's stores and restaurants	<ul style="list-style-type: none"> • Occupational health and safety 	  
	Diversity, inclusion & talent development	Empower its employees to grow by creating positive working relationships with BFood's diverse employees and providing opportunities for career development	<ul style="list-style-type: none"> • Diversity and equal opportunity • Non-discrimination • Training and education 	   
	Human rights	Protect the rights of all stakeholders by providing decent conditions for workers, such as eliminating excessive working hours and providing decent accommodation	<ul style="list-style-type: none"> • Human rights assessment • Rights of indigenous people • Security practices • Child labour • Forced labour 	  
	Customer service	Train its staff regularly to improve customer service levels, rewarding them through the loyalty programme and continually assessing their needs to improve satisfaction levels	<ul style="list-style-type: none"> • Non-GRI topic <p><i>Additional disclosure as this is necessary to the sustainability of the business</i></p>	
	Integrated marketing communications	Delivering clear and concise promotional materials responsible for communicating the nutrition and impact of BFood's food and being accessible to a broad range of stakeholders	<ul style="list-style-type: none"> • Marketing and labelling 	 
	Cybersecurity & data privacy	Protect customers and other users' data during all transactions and loyalty schemes	<ul style="list-style-type: none"> • Customer privacy 	
	Society	Strengthen local communities by organising multiple corporate social responsibility programmes and collaborating with partners to raise awareness and help those with disabilities	<ul style="list-style-type: none"> • Local communities 	 

SUSTAINABILITY STATEMENT



ECONOMIC



Group photo of BStarbucks employees (partners) at the media launch of Starbucks Summer Refreshers™ event.

STEERING SUSTAINABLE ECONOMIC ACTIVITY

BFood’s economic performance has consistently generated substantial stakeholder value. The Group aims to sustain its involvement in this robust global economic growth while creating value and fostering support for local communities. Given the interconnectedness of BFood’s business and sustainability goals, enhancing economic performance contributes to an increased positive impact.

The strength of BFood’s economic performance is a catalyst, allowing the Group to enhance its capabilities through strategic partnerships with supply chain partners, institutions, certification bodies, and quality experts, ultimately establishing itself as consumers’ top choice.

In FY2023, BFood witnessed exceptional growth, propelled by expansions in BStarbucks and BRoasters, including additional drive-thru outlets and strategically focusing on smaller towns and communities. BRoasters achieved impressive sales growth by diversifying its menu and reducing reliance on a single cost item.



Please refer to pages 18-26 of this Annual Report for further details on BFood’s strategic priorities and pages 30-31 for a summary of the Company’s financial performance for the financial year ended 30 June 2023.

BFOOD INFLUENCE THROUGHOUT THE VALUE CHAIN

BFood works actively to maximise positive and minimise negative impacts along the value chain. Collaboration with business partners and other stakeholders is essential to drive change where it makes the most significant difference. The Group firmly believes it can only establish sustainable procurement practices when every decision-maker within the global supply chains acts in the spirit of sustainability. Utilising various platforms and forums, BFood’s brands develop innovative relationships with suppliers.

BFood is fully committed to achieving 100% responsible sourcing. This commitment underscores the company’s dedication to promoting sustainability and ethical practices throughout its supply chains.

The Group actively advocates for every supplier to uphold social and environmental standards within their supply chains, including:



Addressing climate change challenges and optimising resource utilisation.



Promoting diversity, ensuring fair labour rights and fostering opportunities for employment growth.

These collective efforts contribute to a sustainable and responsible approach aligned with the company’s values and goals.

SUSTAINABILITY STATEMENT

ETHICAL AND RESPONSIBLE BUSINESS PRACTICES

A responsible business is built on solid ethics and operates with integrity. Trust in BFood brands is fundamental to the Group’s culture and the value chain evolution it leads.

Business ethics and compliance are the foundations of BFood operations, including zero-tolerance of fraud, bribery and corruption, and efforts to ensure data privacy and transparency.

Berjaya and affiliated companies, including BFood, adopt a strict zero-tolerance policy against all forms of bribery and corruption in their daily operations and take a strong stance against such acts. The Board is primarily responsible for establishing and ensuring effectiveness of the anti-bribery and anti-corruption programme. As per section 4.1.3 of the National Centre for Governance, Integrity and Anti-Corruption (“GIACC”) Guidelines on Adequate Procedures, BFood commits to:

- 1 Practising and upholding the highest level of integrity, ethics, and accountability.
- 2 Observing and complying fully with all applicable laws and regulatory requirements on anti-bribery and anti-corruption.
- 3 Effectively managing key corruption risks.

BFood’s zero-tolerance policy evinces a proactive commitment to addressing and mitigating corruption risks, including bribery. Endorsed by the Board of Directors, the policy fulfils the requirements in the Guidelines on Adequate Procedures pursuant to Section 17A (5) of the Malaysian Anti-Corruption Commission Act 2009 (“MACC”). It applies to all directors, employees and business partners who have also completed anti-corruption education and training.

Starbucks Zero Tolerance Standards	
Transparency	<ul style="list-style-type: none"> ➤ BFood expects all supply chain partners to be transparent about their operations, policies, and processes.
No Gifts and Bribery	<ul style="list-style-type: none"> ➤ Any gift, favour, or concession received must be reported to the management, who decides on its disposal. ➤ Employees must not give, offer, promise, accept, request, or authorise a bribe, directly or indirectly, on behalf of, or for the benefit of the Company. A bribe may be cash, gifts, entertainment, hospitality, travel perks, or special favours or privileges.
Accountability	<ul style="list-style-type: none"> ➤ All supply chain partners must disclose information of any subcontractors that manufacture and produce goods for BFood.
Openness	<ul style="list-style-type: none"> ➤ All parties must prohibit unauthorised subcontracting and communicate any subcontractor changes to Starbucks for prior approval.
Continuous Improvement	<ul style="list-style-type: none"> ➤ BFood requires all suppliers and business partners to demonstrate a commitment to continuous improvement and engage in improvement processes.

SUSTAINABILITY STATEMENT

Corruption and Bribery Risk Assessment

A detailed understanding of corruption risk exposure is essential to an effective anti-corruption compliance programme. Corruption risks, including bribery, are crucial elements in BFood’s risk register. BFood corruption and bribery risk assessment processes measure and rank critical bribery risk areas with high potential or likely influence over operations and all levels of BFood’s management. This keen understanding helps the Group design high-level prevention assessments, solutions and implementation plan to combat potential bribery, corruption and fraud, especially for high-risk operations. BFood also conducts corruption and bribery risk assessments for intermediaries, including all contractors, subcontractors, third parties and agents. BFood communicates these policies and practices to these intermediaries effectively. The assessment forms the basis of anti-bribery and anti-corruption policies. BFood conducts periodic assessments with at least one full-scale assessment and review every two years.

Due diligence helps assess the nature and extent of bribery risks relating to planned or ongoing relationships with specific categories of business associates or employees in management and decision-making positions. BFood screens new and existing business partners for corruption and bribery is also part of its due diligence.



Starbucks Rewards allows customers to reload and use their Starbucks Card to collect STARS and gain access to various tempting rewards and deals via the mobile app.

RESPONSIBLE MARKETING

BFood strives to provide transparent and accurate information about its products and promotions. The Group is committed to ensuring that all released information on product labels empowers customers to make healthy choices.

BFood has taken the global approach to clean labelling, in line with local regulations and consumer desires. Everyone should enjoy its food and understand its nutritional content. BFood makes all products from great, fresh-tasting ingredients and displays allergens and nutrition information on every food packet sold and on the menu.

DATA AND PRIVACY

BFood implements effective methods to identify and manage associated risks to benefit from enhanced efficiencies whilst protecting its business systems.

The Group invested heavily in a data protection management system, to ensure that customers’, employees’, suppliers’ and business partners’ rights to privacy. The Group has introduced processes to ensure full compliance with the Personal Data Protection Act 2010 (“PDPA”).

SUSTAINABILITY STATEMENT



ENVIRONMENT



BStarbucks' customers volunteered at YWCA's Vocational Training Opportunity Centre to participate and learn about the upcycling process.

BETTER FOR PLANET

While the pace of environmental change may seem gradual, the magnitude of these challenges calls for active effort from all sectors of society. BFood understands and addresses the intertwining issues of climate change, pollution, and biodiversity to reinforce the belief that everyone can safeguard the planet's vital ecosystems together.



BStarbucks is committed to being resource-positive – giving back more than it takes from the planet. BStarbucks has boldly committed to halving its carbon, water, and waste footprints by 2030. BStarbucks will continue to work to ensure its 2030 targets remain ambitious as science and measurement capabilities evolve.

MINIMISING OUR FOOTPRINT

BFood is deeply committed to advancing environmental sustainability in its operations. The Group's holistic strategy entails a series of significant initiatives to reduce its carbon footprint and foster a positive climate impact.

Integrating technology, specifically digital menus and front-end cashless payment systems, within operations significantly minimise the Group's carbon footprint. These advancements directly and positively impact sustainability by reducing paper usage and promoting efficiency throughout the customer experience.

Furthermore, the widespread adoption of energy-efficient LED technology at stores, signage and boards underscores BFood's commitment to decreasing energy consumption and mitigating greenhouse gas emissions throughout operations.

With over 393 Starbucks stores, 70 Kenny Rogers ROASTERS (KRR) outlets, 7 SALA stores, 1 KELAVA store, and 2 Paris Baguette outlets, BFood's supply chain's environmental footprint is significant. The business size necessitates focused efforts to enhance sustainability across the operations. Understanding the pivotal role of the supply chain in emissions, the Group is proactively evaluating its operations footprint by assessing sourcing, transportation, and the entire business life-cycle processes, enabling it to make informed decisions and implement targeted strategies to minimise its overall carbon impact.



SALA store located in Starling Mall using energy efficient LED technology.

SUSTAINABILITY STATEMENT

The Group also intensifies its climate action initiatives through proactive waste reduction and management. Various programmes and practices in BFood’s respective brands encourage customers to support the Group’s waste minimisation journey. BFood is committed to significantly reducing and diverting the waste its stores and restaurants generate, which includes recycling. Additionally, BRoasters collaborates with a licensed third-party vendor to repurpose its cooking oil into biodiesel.

Food waste in landfills produces a large amount of greenhouse gas. BPB partners with local non-governmental organisations on a Food Rescue project. This project diverts edible food to those in need that would otherwise go into waste disposal systems.



BRoasters employees with the children from Pusat Jagaan Nurul Hasanah, in conjunction of the Hari Raya festivities.

RESOURCE EFFICIENT

BFood prioritises resource efficiency, particularly in water and energy usage. The operations team meticulously assesses energy consumption in every store, regularly monitoring compressed air and refrigerant lines to mitigate energy wastage caused by ageing or leaking infrastructure.

BFood upholds a stringent policy promoting efficient and responsible water usage across all stores, outlets, and restaurants in their daily operations. The Group extends its mindfulness to water consumption at every value chain stage to alleviate stress on water supplies and restore ecological balance.

INVITING THE COMMUNITY TO BE OUR GREEN PARTNER

BStarbucks invites its valued customers to be part of its upcycling Starbucks Flavorlock™ Coffee Bags

programme by hosting monthly voluntary sessions in Young Womens’ Christian Association Kuala Lumpur (“YWCA KL”).

The Starbucks Upcycled Flavorlock™ Pouch is made from the used Starbucks Flavorlock™ Coffee Bags and the completed product are repurchased from YWCA KL, then retailed in all Starbucks stores. For every pouch purchased, RM1 will be channelled to YWCA KL to support its Vocational Training Opportunity Centre (“VTOC”), which designs curriculums that empower young girls and women from the B40 communities.

BStarbucks also introduced the latest edition of Starbucks Sustainable Tumbler, which uses 30% less plastic, is also available in all stores.



SUSTAINABILITY STATEMENT



Starbucks Greener Store located in Sekinchan.

This year, BStarbucks partnered with Yinson Greentech to launch its first electric vehicle (“EV”) charging station powered by ChargeEV, at Starbucks Eco Grandeur, Puncak Alam. This initiative represents a significant milestone in the company’s sustainability efforts as Malaysia’s first retail coffee chain to install EV charging stations in its outlets.



Starbucks initiated the rollout of the New Store Standards for Global Greener Stores by commencing a pilot program in each market, involving three stores. They have diligently established comprehensive systems and processes to handle store data submissions, in-store asset management, audits, certifications, as well as tracking and reporting.

Store Name	City	Certification Status
Starbucks Petron Sekinchan Drive-Thru	Kuala Selangor	15 December 2022
Starbucks Taman Desa	Kuala Lumpur	21 December 2022
Starbucks Kuchai Lama	Kuala Lumpur	15 December 2022



EV charging machines in BStarbucks Drive-Thru stores.

The designated stores have successfully fulfilled all the required criteria for Greener Stores certification, a validation independently verified by SCS Global Services, a reputable third-party verification entity. These stores have demonstrated exceptional compliance with the Greener Stores program across various critical dimensions, including Energy Efficiency, Water Stewardship, Renewable Energy, Waste Diversion, Responsible Materials, Health & Well-Being, as well as Sites & Communities.

SUSTAINABILITY STATEMENT

SOCIAL



Group photo of BStarbucks supporting HOPE worldwide Malaysia's 5th BOLATHON - Gaharu Charity Run & Masquerade Walk. The fund raised through this event shall be fully channelled to sustain and expand HOPE worldwide Health & Medical programs for the underprivileged community in Malaysia.

BFOOD'S FAMILY AND COMMUNITY

The Group's employees (partners) and the community are its extended family. The Company pledges to nurture trust, honour diversity, ensure equal opportunities, and actively participate in community initiatives, thus spreading joy.

PRIDE AND PURPOSE IN THE WORKPLACE

BFood is proud of its stance as an equal-opportunity employer. The Group is known for its commitment to providing:



Equal employment opportunities for all applicants.



Fair opportunities for development and career advancement to all employees.

BStarbucks plans to open its first Signing Store in Borneo in Q1FY24. This store marks a significant milestone in the market as the third Signing Store in Malaysia after Kuala Lumpur and Penang. BFood promotes awareness and appreciation of the Deaf

community by creating employment opportunities and advancement for Deaf employees (partners) and fostering meaningful connections between partners and customers. Starbucks remains the only coffee chain brand in Malaysia to establish stores dedicated to supporting the Deaf community.

As lifelong learning is critical to a successful career, BFood reinvests its success into its people. Crafting tailored training and educational resources attracts and retains top talent. Invaluable education often stems from demanding job roles and active involvement in cross-functional teams. This understanding is reflected in Starbucks' training approach, encompassing diverse assignments such as specialised functional training, exposure to international contexts, and division-wide activities aimed at cultivating shared practices and values.

The Group also stands firm on its customers' and employees' safety promises. Each day, all brands prioritise the continual enhancement of safety performance, embracing a culture that aims for zero safety incidents.



SUSTAINABILITY STATEMENT

BFood recognises that workplace accidents and work-related incidents may arise from safety lapses, mechanical failure, improper behaviour, or inadequate process design, potentially resulting in injury or health issues. To mitigate these risks, the Group has implemented stringent requirements and performance expectations applicable across all its businesses, ensuring a safe and secure environment for everyone associated with BFood.

BFood has a Safety and Health Committee at each of its brand. They comprised of employer and employee representatives. The Chairman of these committees is the CEO, who sits on the Board.

Employers Commitment	BFood Safety and Health Commitment	Employees Commitment
<ul style="list-style-type: none"> ➤ Provide a safe and healthy work environment for all employees ➤ Take effective and fast action to provide and maintain a safe and healthy work environment ➤ Disseminate information and updates on safety and health ➤ Plan, develop, implement, and monitor the safety and health programme ➤ Comply with the Occupational Safety and Health standards issued in the OSHA Act 		<ul style="list-style-type: none"> ➤ Understand the safety and health rules set by the employer ➤ Report any unsafe workplace conditions to the safety and health committee ➤ Take proper care of all equipment, to ensure it is in good working condition always ➤ Comply with all occupational safety and health standards issued under the OSHA Act that apply to actions and conduct on the job



BStarbucks' customers and Deaf employees (partners) attending the Signing Workshop at Starbucks Signing Store Burmah Road, Penang.

BREWING A COMMUNITY AND CRAFTING SOCIETIES TOGETHER

BFood has cleverly crafted its community programmes to consider the impact on the societies and planet. The Group continues to build on their reputation as the brand that cares as it links its corporate social responsibility agenda with the Group's strategy.

Every brand within the Group continues to support societies where they serve through partnerships and active engagements. In FY2023, BFood spent a total of RM302,785 on community programmes, encompassing corporate giving, philanthropy, community partnerships, sponsorships, and donations.

SUSTAINABILITY STATEMENT

FOOD SAFETY, QUALITY, AND NUTRITION

BFood bases its food safety strategy on the principle of Safety First, Quality Always, which reflects BFood’s collective commitment to the safety of its people and products. The Group mitigates food safety risks through preventive and proactive risk assessments with internal audit verification, robust preventive controls, food safety and quality certification programmes, hygienic zoning, crisis management, continuous improvement, and health and safety impact evaluation.


In pursuit of a sustainable nutrition world, BFood strives to offer sustainable nutrition solutions by collaborating closely with customers and industry partners to tackle these challenges.




Expansion of plant-based menu at Starbucks.



KELAVA produces lusciously creamy, plant-based ice cream without dairy.



100% plant-based menu at Joybean, with soymilk free from hormones, added oil, preservatives and colouring and guaranteed 100% non-GMO Canadian soybeans.



Introduction of KRR’s Meatless Cutlet Mac & Cheese Burger.



SUSTAINABILITY STATEMENT

CORPORATE SOCIAL RESPONSIBILITY

The Group performs various acts of Corporate Social Responsibility across the country. BFood believes that giving back to the community and environment is of utmost importance. As such, the company collaborates with various Non-Governmental Organisations (“NGOs”) to find ways to serve those in need.

THE 13TH STARBUCKS MALAYSIA GLOBAL MONTH OF GOOD

During the 13th Global Month of Good (“GMOG”), BStarbucks collaborated with local NGO, What A Waste (WaW), to prepare and distribute 1,200 bowls of ‘bubur lambuk’, a nutritious porridge commonly available during the holy month of Ramadan, to underprivileged families, with 150 partners and volunteers contributing to a total of 1,050 community service hours.

In addition, BStarbucks granted WaW a total of RM136,293 via its Starbucks Foundation, aiming to rescue surplus foods and provide meals for 10,000 individuals in vulnerable communities in Klang Valley and villages in Pahang, Malaysia, while also offering food rescue training to volunteers from B40 communities.



SEASONS OF GRATITUDE

During the Hari Raya Aidilfitri festival, BStarbucks shared 87 packets of Hari Raya cookies with Rumah Titian Kaseh Titiwangsa, a home for underprivileged individuals, as part of an initiative to reduce food waste and demonstrate ongoing community support - reflecting the Group’s commitment to sustainability and social responsibility.

Additionally, the Kenny Rogers ROASTERS team spread cheer and joy to the lives of underprivileged children across the holiday seasons. The crew visited Rumah Charis on Chinese New Year, Pusat Jagaan Nurul Hasanah on Hari Raya, and Pertubuhan Kebajikan Thangam Illam on Deepavali to treat the kids and caretakers special meals and bottled fruit juices.



SUSTAINABILITY STATEMENT

NAKAWAN ULTRA 2022

BFood supported the Nakawan Ultra 2022, a trail running challenge in Perlis, Malaysia, organised by MEP Ventures Sdn Bhd and Kelab Pelari Denai Putra. The event attracted 800 participants of all ages and included various distances and categories, offering runners the opportunity to experience the beautiful landscapes of Perlis, including its longest limestone hill, the Nakawan range. The event was a success in reuplifting the state as a sports tourism destination while promoting all its fascinating locations and stimulating the local economy.



PARIS BAGUETTE FOOD RESCUE INITIATIVE

Paris Baguette Malaysia collaborated with The Lost Food Project to reduce food waste and distribute safe, quality food collected from their central kitchen to NGOs, including Pertubuhan Kesihatan dan Kebajikan Umum Malaysia, Peace Education Centre, and Hiichiikok Home for Children Care.



ZERO HUNGER PROGRAMME

BStarbucks, in collaboration with The Lost Food Project, ran the 'Zero Hunger 2022' campaign for the fourth year, collecting RM5,549.50 worth of groceries and distributing 55 care packs to underprivileged communities in Kajang.

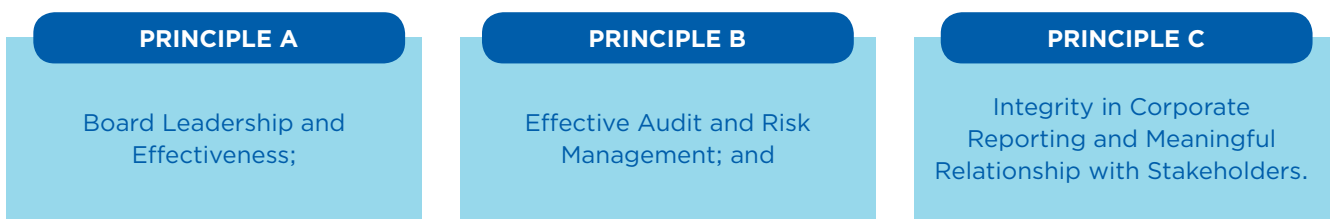


CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Berjaya Food Berhad (“the Company”) recognises the importance of corporate governance (“CG”) towards promoting business growth 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 CG as set out in the Malaysian Code on Corporate Governance (“MCCG”).

The Board is pleased to provide an overview of the Company’s CG practices during the financial year ended 30 June 2023 (“FYE 2023”) and where applicable, up to the date of this CG Overview Statement with reference to the three (3) key CG principles as set out in the MCCG as follows:-



This CG Overview Statement is also in compliance with Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read in conjunction with the Company’s Corporate Governance Report 2023 (“CG Report”), which is available on its website at www.berjaya.com/berjaya-food/ and on Bursa Securities’ website at www.bursamalaysia.com.

The CG Report sets out the various practices under the MCCG which provides details on how the Company has applied each Practice, any departures thereof and the alternative measures being in place within the Company during the FYE 2023. The Board is satisfied that the Company has substantially complied with the MCCG throughout the FYE 2023 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 as well as 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’ Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin, an Independent Non-Executive Director of the Company. The Chairman is responsible for providing leadership as well as to ensure the smooth and effective functioning of the Board. The Chairman will preside at all Board Meetings and general meetings of the Company and always ensure 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 management of the Group’s affairs and business to the CEO of the Company, Dato’ 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 Group in making and implementing the day-to-day decisions on the business operations, managing resources and associated risks involved while pursuing the corporate objectives of the Group. The CEO may delegate appropriate functions to any member of the Senior Management reporting to the CEO.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 positions of 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 three (3) 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 Committees

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 ("ESS") Committee; and
- (v) Sustainability Committee.

The Board has on 14 August 2023 approved the dissolution of the ESS Committee following the expiration of the Company's ESS on 17 November 2021 as currently there was no ESS scheme for the ESS Committee to administer.

The Chairman of the Board is not a member of the Audit and Risk Management Committee, Nomination Committee or Remuneration Committee which is aligned with the recommendation of the MCCG.

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 Committees 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.

The TORs of each the Board Committees are available on the Company's website at www.berjaya.com/berjaya-food/.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Company Secretaries

The Board is supported by the qualified and experienced Company Secretaries, who are members of the professional body namely, Malaysian Institute of Chartered Secretaries and Administrators and they are also qualified Company Secretaries as per Section 235(2)(a) of the Companies Act 2016 registered with the Companies Commission of Malaysia. 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 advised the Board on adoption of CG best practices as recommended under the MCCG. 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 of the Company which provides reference for Company Secretaries in the discharge of their duties.

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

Board Meetings and Meeting Materials

In order to discharge their responsibilities effectively, the Board meets regularly on a quarterly basis. Other than quarterly Board Meetings, additional Board and/or Board Committee 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, consideration and approval. 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 and/or Board Committee approvals sought are supported with all the relevant information and explanations required for an informed decision to be made.

In the intervals between Board and/or Board Committee Meetings, any matters requiring urgent Board and/or Board Committee recommendations, decisions or approvals will be sought via circular resolutions to the Board and/or Board Committee members and these are supported with all the relevant information and/or explanations required for an informed decision to be made.

For predetermined Board Meeting and/or Board Committee Meetings, the Directors will be provided with the relevant agenda and Board papers at least five (5) business days' notice except for meetings called on an ad-hoc basis for special matters or urgent proposal, reasonable notice for such meetings shall be sufficient. This enables the Board 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 also a schedule of matters reserved for Board's deliberations and decisions, which include among others, the review, evaluation, adoption and approval of the Company and the Group's policies and strategic plans. This is to ensure that the strategic plan of the Company and the Group supports long term value creation, including strategies on economic, environmental and social considerations underpinning sustainability. It also includes the review, evaluation and approval for any material acquisition and/or disposal of undertakings or assets and any new major ventures in the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Access to Information and Advice

The Directors 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, Directors' Fit and Proper Policy, 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 CG and clarifies, among others, the roles and responsibilities of the Board, Board Committees and individual Director.

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. The Board Charter was recently reviewed and approved by the Board on 14 August 2023 to reflect the recent changes in the regulatory requirements and a copy is available on the Company's website at www.berjaya.com/berjaya-food/.

(b) Code of Ethics for Directors

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 CG and to promote ethical conduct of the Directors.

(c) Directors' Fit and Proper Policy

The Group has adopted a Directors' Fit and Proper Policy which set out the fit and proper criteria for the appointment and re-election of director onto the Board of the Company and the Group.

The Policy serves as a guide to the Nomination Committee and the Board in their review and assessment of candidates that are proposed to be appointed onto the Board as well as directors who are seeking for re-election.

The Directors' Fit and Proper Policy is subject to review by the Board periodically to ensure that it remains effective and relevant and a copy of the Directors' Fit and Proper Policy is available on the Company's website at www.berjaya.com/berjaya-food/.

(d) 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/.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(e) 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 14 August 2023 so as to enhance the reporting procedures to safeguard against the acts of bribery and corruption pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

The revised and updated Whistleblowing Policy and Procedures, underlining its protection and reporting channels, can be accessed on the Company's website at www.berjaya.com/berjaya-food/.

(f) Adequate Procedures to Curb and Prevent Bribery and Corruption - T.R.U.S.T Concept

The Board has established and adopted a T.R.U.S.T Concept 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 (Berjaya's Ethos and 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 was recently reviewed, updated and approved by the Board on 14 August 2023 and 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 works closely with its supply chain partners and other industry players to address sustainability issues relevant to the food and beverage industry. The Group's sustainability journey including strategies, priorities, progress, and targets are communicated to its stakeholders, internal or external, through regular engagement with each of the stakeholder groups.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 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 currently has seven (7) members comprising three (3) Independent Non-Executive Directors (including the Chairman), the CEO and three (3) Non-Independent Non-Executive Directors. The profiles of each Directors of the Company are set out in the Profile of Directors section in 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. However, the Company is not in compliance with Practice 5.2 of the MCCG as the Board does not have a composition which comprises 50% Independent Directors.

The presence of the Independent Director, though not forming half (50%) of the Board members, is sufficient to provide the necessary checks and balances on the decision making process of the Board. They are able to contribute their particular expertise and experience to the Board and to carry out their duties and responsibilities with unfettered and unbiased independent judgement.

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 three (3) female Directors namely, Datin Chee Yoke Kuan, Wan Nor Aida Binti Wan Azmi and Ms Chryseis Tan Sheik Ling and they represent about 43% ratio of the full Board of seven (7) members. They are part of the Board's gender diversity and have brought value to Board discussions from different perspectives and approaches. The Board has complied with Paragraph 15.02(1)(b) of the Main Market Listing Requirements of Bursa Securities and has also fulfilled the requirement of Practice 5.9 of the MCCG.

The Board has in place a Diversity Policy, a copy of which is available on the Company's website at www.berjaya.com/berjaya-food/.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 2023, the Board met five (5) times and the attendances of the Directors at the Board Meetings were as follows:-

Directors	Attendance
Dato' Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin #	5/5
Dato' Sydney Lawrance Quays	5/5
Tan Thiam Chai	5/5
Chryseis Tan Sheik Ling	4/5
Dato' (Dr) Mustapha Bin Abd Hamid *	5/5
Datin Chee Yoke Kuan # ¹	@
Wan Nor Aida Binti Wan Azmi # ²	@
Datuk Zainun Aishah Binti Ahmad # ³	5/5

Notes:

Independent Non-Executive Director

* During the financial year, Dato' (Dr) Mustapha Bin Abd Hamid was re-designated as a Non-Independent Non-Executive Director of the Company on 1 June 2023.

¹ During the financial year, Datin Chee Yoke Kuan was appointed as an Independent Non-Executive Director of the Company on 31 May 2023.

² During the financial year, Wan Nor Aida Binti Wan Azmi was appointed as an Independent Non-Executive Director of the Company on 8 June 2023.

³ During the financial year, Datuk Zainun Aishah Binti Ahmad has resigned as an Independent Non-Executive Director of the Company on 31 May 2023.

@ There was no Board Meeting held subsequent to the date of their appointment up to 30 June 2023.

All the Directors of the Company have confirmed that they do not hold more than five (5) directorships in listed issuers pursuant to 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 of the Company (including the newly appointed Directors) have completed the Mandatory Accreditation Programme ("MAP") Part I as required by Bursa Securities as at the date of this CG Overview Statement.

The Board and/or the Directors individually will on a continuous basis, evaluate and determine the relevant programmes, seminars, briefings or dialogues available that would best enable them to enhance their knowledge and contributions to the Board.

The Board believes that continuous training for Directors is vital for the Board members to evaluate their skills and knowledge and to enable them to discharge their duties effectively. As such, the Directors will attend the necessary training programmes, conferences, seminars and/or forums so as to keep themselves abreast with the latest economic and corporate developments as well as new regulations and statutory requirements.

The Board is also regularly updated by the Company Secretaries on the latest update/amendments to the relevant regulatory requirements, CG and sustainability relating to the discharge of the Directors' duties and responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the FYE 2023, the training programmes, seminars, conferences and webinars attended by the Directors were as follows:-

Directors	Title of Training Programmes/ Seminars/ Conferences/ Forum/ Webinars
Dato' Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin	- How to effectively De-Risk your organisation and empower your staff to speak up
Dato' Sydney Lawrance Quays	- Public Relations Conference 2023 - Effective Communication
Tan Thiam Chai	- Sustainability- Overseeing the Economic, Environmental, Social & Governance Perspectives of the Group's business - Provision of Financial Assistance and Related Party Transaction
Chryseis Tan Sheik Ling	- Powertalk: Advancing Cyber Resilience: Board's Top 3 Must-Knows - How to effectively De-Risk your organisation and empower your staff to speak up
Dato' (Dr) Mustapha Bin Abd Hamid	- Directors' Policy on Fit and Proper - A Dialogue with Bursa Malaysia - FTSE4GOOD ESG Rating for All Public Listed Companies - The Audit Committee- How to navigate financial reporting oversight amidst potential landmines of misreporting?
Datin Chee Yoke Kuan	- **
Wan Nor Aida Binti Wan Azmi	- **

Note:

** Subsequent to the FYE 2023, Datin Chee Yoke Kuan and Wan Nor Aida Binti Wan Azmi, who were appointed as a Director of the Company on 31 May 2023 and 8 June 2023 respectively, have attended and completed the MAP Part I in relation to a Director's roles, duties and liabilities for Directors of Public Listed Companies from 28 August 2023 to 30 August 2023.

Appointment to the Board

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

Datin Chee Yoke Kuan	- Chairman/ Independent Non-Executive Director
Wan Nor Aida Binti Wan Azmi	- Member/ Independent Non-Executive Director
Tan Thiam Chai	- Member/ Non-Independent Non-Executive Director

During the FYE 2023, Datuk Zainun Aishah Binti Ahmad has ceased as the Chairman of the Nomination Committee following her resignation as an Independent Director of the Company on 31 May 2023 while Dato' (Dr) Mustapha Bin Abd Hamid was re-designated as a Non-Independent Non-Executive Director of the Company on 1 June 2023 and subsequently resigned as a member of the Nomination Committee on 8 June 2023.

Both Datin Chee Yoke Kuan and Wan Nor Aida Binti Wan Azmi were appointed as the Chairman and a member of Nomination Committee respectively on 8 June 2023.

The Chairman of the Nomination Committee, Datin Chee Yoke Kuan is an Independent Director and this composition is aligned with the recommendation of Practice 5.8 of the MCGG.

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/.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 based 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' network and referrals from incumbent Directors and business associates, senior management or major shareholders, independent search firms and/or other independent sources;
2. In evaluating the suitability of a candidate to the Board, the Nomination Committee considers, inter-alia, the competency, experience, commitment, contribution and integrity of the candidate, and in the case of a candidate proposed for appointment as Independent Non-Executive Director, 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 as recommended by the Nomination Committee.

During the FYE 2023, Datuk Zainun Aishah Binti Ahmad, who has served the Board for a cumulative term of more than twelve (12) years, has resigned as Senior Independent Director and the various Board Committees of the Company on 31 May 2023 so as to comply with the Main Market Listing Requirements of Bursa Securities.

Dato' (Dr) Mustapha Bin Abd Hamid who had served the Board for a cumulative term of more than twelve (12) years, was re-designated as Non-Independent Non-Executive Director of the Company on 1 June 2023 and subsequently resigned as a Chairman or member of various Board Committees on 8 June 2023 so as to comply with the Main Market Listing Requirements of Bursa Securities, TOR of the Board Committees and MCCG.

Datin Chee Yoke Kuan and Wan Nor Aida Binti Wan Azmi, were identified as potential candidates for the appointment as Directors. The Nomination Committee had reviewed their profiles and assessed their fit and proper criteria in accordance to the Fit and Proper Policy of the Company and their independence prior to their appointment to the Board and various Board Committees of the Company. The Nomination Committee was satisfied with their fitness and propriety and had accordingly recommended to the Board the appointments of Datin Chee Yoke Kuan and Wan Nor Aida Binti Wan Azmi as Independent Non-Executive Directors of the Company as well as appointment as a Chairman or member for various Board Committees. Upon the recommendation of Nomination Committee, the Board has approved the new appointments.

Following their appointments as new Directors of the Company, they have been briefed on the relevant disclosure and compliance requirements by Bursa Securities, the Securities Commission and Companies Act 2016.

Annual Assessment

The Nomination Committee reviews annually, the effectiveness of the Board and Board Committees as well as the performance of individual Directors. The annual evaluation involves individual Directors and Committee members completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and areas where improvements could be considered. The criteria for the evaluation are guided by the CG Guide issued by Bursa Malaysia Berhad. 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. The outcome of the 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the FYE 2023, 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 Annual General Meeting ("AGM");
- (vi) Recommended to the Board the retention of Independent Directors for shareholders' approval at the AGM;
- (vii) Recommended to the Board for proposed adoption of Directors' Fit and Proper Policy;
- (viii) Reviewed and recommended to the Board for approval the revised TOR of Nomination Committee; and
- (ix) Recommended to the Board the changes to the Board composition and reconstitution of various Board Committees.

Re-election of Directors

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.

At the forthcoming Fourteenth AGM, the following Directors ("Retiring Directors") are due for retirement and are eligible for re-election pursuant to Clause 117 and Clause 107 of the Company's Constitution:-

Directors	Retiring Pursuant to
1) Dato' Sydney Lawrance Quays	Clause 117
2) Dato' (Dr) Mustapha Bin Abd Hamid	Clause 117
3) Datin Chee Yoke Kuan	Clause 107
4) Wan Nor Aida Binti Wan Azmi	Clause 107

The Board through the Nomination Committee had undertaken an annual assessment evaluation as well as fit and proper assessment on the Retiring Directors.

All the Retiring Directors have completed their respective declaration on the fitness and propriety in accordance with the Fit and Proper Policy of the Company as well as the confirmation of their independence (as the case may be).

Based on the results of the assessment conducted, the Nomination Committee was satisfied with the favourable evaluation of the overall performance and contributions of the Retiring Directors and the Retiring Directors have fulfilled the fit and proper criteria in accordance to the Fit and Proper Policy of the Company. Accordingly, Nomination Committee recommended to the Board for re-election of the Retiring Directors. The Board has deliberated and endorsed the Nomination Committee's recommendation and supports the re-election of Retiring Directors for approval by the shareholders at the forthcoming Fourteenth AGM. The Retiring Directors had abstained from deliberations and decisions on their re-election at the Nomination Committee and Board Meetings.

The profiles of the Retiring Directors are set out on in the Profile of Directors in the Company's 2023 Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Tenure of Independent Directors

Pursuant to Practice 5.3 of the MCCG, the tenure of an Independent Director does 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 through a two-tier voting in the event it retains an Independent Director who has served in that capacity beyond 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 30 June 2023, none of the Independent Directors of the Company has served the Board for a cumulative term of more than nine (9) years.

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 on an annual basis based on the criteria set out in the Main Market Listing Requirements of Bursa Securities.

The current Independent Directors of the Company namely, Dato' Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin, Datin Chee Yoke Kuan and Wan Nor Aida Binti Wan Azmi 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 are as follows:-

Wan Nor Aida Binti Wan Azmi	- Chairman/ Independent Non-Executive Director
Datin Chee Yoke Kuan	- Member/ Independent Non-Executive Director
Tan Thiam Chai	- Member/ Non-Independent Non-Executive Director

During the FYE 2023, Dato' (Dr) Mustapha Bin Abd Hamid was re-designated as a Non-Independent Non-Executive Director of the Company on 1 June 2023 and subsequently resigned as the Chairman of the Remuneration Committee on 8 June 2023 while Datuk Zainun Aishah Binti Ahmad has ceased as a member of Remuneration Committee following her resignation as an Independent Director of the Company on 31 May 2023.

Both Wan Nor Aida Binti Wan Azmi and Datin Chee Yoke Kuan were appointed as the Chairman and a member of Remuneration Committee respectively on 8 June 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 payment of 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/.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 2023 are as follows:-

(a) Individual Directors on a named basis**Company**

	← RM →						
	Fees	Allowance	Salaries	Bonus	Benefits in-kind	Other Emoluments	Total
Executive Director							
Dato' Sydney Lawrance Quays	-	-	158,400	39,600	-	24,879	222,879
Non-Executive Directors							
Dato' Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin	60,000	308,300	-	-	-	37,275	405,575
Dato' (Dr) Mustapha Bin Abd Hamid	60,000	11,900	-	-	-	-	71,900
Datuk Zainun Aishah Binti Ahmad (Resigned on 31 May 2023)	54,904	14,000	-	-	-	-	68,904
Datin Chee Yoke Kuan (Appointed on 1 June 2023)	5,096	-	-	-	-	-	5,096
Wan Nor Aida Binti Wan Azmi (Appointed on 8 June 2023)	3,781	-	-	-	-	-	3,781
Tan Thiam Chai	-	-	-	-	-	-	-
Chryseis Tan Sheik Ling	-	-	-	-	-	-	-
	183,781	334,200	158,400	39,600	-	62,154	778,135

Group

	← RM →						
	Fees	Allowance	Salaries	Bonus	Benefits in-kind	Other Emoluments	Total
Executive Director							
Dato' Sydney Lawrance Quays	46,284	-	1,755,000	415,500	21,968	264,938	2,503,690
Non-Executive Directors							
Dato' Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin	60,000	308,300	-	-	-	37,275	405,575
Dato' (Dr) Mustapha Bin Abd Hamid	60,000	11,900	-	-	-	-	71,900
Datuk Zainun Aishah Binti Ahmad (Resigned on 31 May 2023)	54,904	14,000	-	-	-	-	68,904
Datin Chee Yoke Kuan (Appointed on 1 June 2023)	5,096	-	-	-	-	-	5,096
Wan Nor Aida Binti Wan Azmi (Appointed on 8 June 2023)	3,781	-	-	-	-	-	3,781
Tan Thiam Chai	-	-	-	-	-	-	-
Chryseis Tan Sheik Ling	-	-	-	-	-	-	-
	230,065	334,200	1,755,000	415,500	21,968	302,213	3,058,946

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

The number of top five (5) 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	1
RM300,001 - RM350,000	3
RM600,001 - RM650,000	1
	5

Although the MCCG has stipulated that the Company should disclose the detailed remuneration of the top five (5) 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 Senior Management due to the sensitivity of their remuneration package, privacy, competition 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. The ARMC of the Company comprises three (3) members, all of whom are Non-Executive Directors with a majority of them being Independent Directors. The members are as follows:-

Datin Chee Yoke Kuan	- Chairman/ Independent Non-Executive Director
Wan Nor Aida Binti Wan Azmi	- Member/ Independent Non-Executive Director
Tan Thiam Chai	- Member/ Non-Independent Non-Executive Director

During the FYE 2023, Datuk Zainun Aishah Binti Ahmad has ceased as the Chairman of the ARMC following her resignation as an Independent Director of the Company on 31 May 2023 while Dato’ (Dr) Mustapha Bin Abd Hamid was re-designated as a Non-Independent Non-Executive Director of the Company on 1 June 2023 and subsequently resigned as a member of the ARMC on 8 June 2023.

Both Datin Chee Yoke Kuan and Wan Nor Aida Binti Wan Azmi were appointed as the Chairman and a member of ARMC respectively on 8 June 2023.

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 recommended to the Board for approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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. A summary of the activities undertaken by the ARMC during the financial year are set out in the ARMC Report in 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 2023.

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 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 of at least three (3) years before they can be considered for appointment as a member of the ARMC and/or the Board.

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.

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 and the International Code of Ethics for Professional Accountants. The External Auditors have included such declaration in their presentation of the annual audit plan 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the FYE 2023, 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 2023 were as follows:-

	Company		Group	
	FYE2023 RM	FYE2022 RM	FYE2023 RM	FYE2022 RM
Statutory audit fees paid/payable to:-				
- Ernst & Young (“EY”) Malaysia	149,000	136,325	426,983	386,468
- Affiliates of EY Malaysia	-	-	19,836	12,500
Total (a)	149,000	136,325	446,819	398,968
Non-audit fees paid/payable to:-				
- EY Malaysia	15,485	12,992	66,850	59,723
- Affiliates of EY Malaysia	-	-	9,918	11,055
Total (b)	15,485	12,992	76,768	70,778
% of non-audit fees (b/a)	10%	10%	17%	18%
Non recurring non-audit fees	-	210,000	-	210,000

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 for its deliberation and approval. The Board concurred with the ARMC’s recommendation and agreed to table the proposed re-appointment of the External Auditors to the shareholders for approval at the Company’s forthcoming 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; and
- (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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 audit plans 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 2023 is set out in the ARMC Report.

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

Communication with Stakeholders

The Company strives to maintain an open transparent channel of communication with its stakeholders such as shareholders, institutional investors, analysts and the public at large with the objective of providing as clear and complete picture of the Group's performance and financial position as possible. The provision of timely information is of paramount importance to assist the shareholders and investors to make an informed decision on their investments. 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 regards the AGM as the principal forum for dialogue and interactions with private and institutional shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with and constructive feedback from the Company's shareholders. At each AGM, the Board presents the progress and performance of the Company's businesses and shareholders are encouraged to participate in the proceedings and question and answer session and thereafter to vote on all resolutions. The External Auditors will also be present to provide professional and independent clarification on issues and concerns raised by the shareholders in connection with the Audited Financial Statements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Chairman, Chief Executive Officer and other Directors present will respond to questions posed by the shareholders/ proxies at the AGM.

The Company despatches a Notification to Shareholders in respect of Thirteenth AGM of the Company to the shareholders of the Company to notify them that the following documents can be viewed and downloaded from the website of the Company and Bursa Securities at www.berjaya.com/berjaya-food/ and www.bursamalaysia.com respectively:-

- (a) Annual Report;
- (b) Notice of AGM, Form of Proxy and Administrative Guide; and
- (c) Circular/Statement to Shareholders.

The notice of AGM was issued to the shareholders of the Company at least twenty-eight (28) days before the AGM. The additional time given to shareholders allows them to make the necessary arrangements to attend and participate in person or through corporate representatives, proxy or attorneys. More importantly, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the general meeting. 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.

The shareholders are allowed to submit the questions prior to the AGM via email to the poll administrator and they are given sufficient time and opportunity to participate in the question and answer sessions with regard to the proposed resolutions, the Group's financial performance and operations at AGM.

Poll Voting

Pursuant to Clause 82 of the Constitution of the Company and Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, the Company is required to ensure that all resolutions set out in the notice of general meetings are voted by poll.

At the Company's previous Thirteenth AGM held on 14 December 2022, all the resolutions passed by the shareholders at the said AGM were voted by way of a poll. In view of the COVID-19 pandemic and with the safety and well-being of the Company's shareholders, Board and its employees, the Company had leveraged on technology by conducting its Thirteenth AGM on a virtual basis through live streaming from broadcast venue and online remote voting via Remote Participation and Voting facilities ("RPV Facilities") provided by the Poll Administrator of the Company, SS E Solutions Sdn Bhd via Securities Services e-Portal's platform at <https://sshbsb.net.my/>. Shareholders who registered for remote participation via Securities Services e-Portal joined the live streaming of the proceeding of the AGM and posed questions to the Board via real time submission of typed texts and also casted their votes online via RPV Facilities at the AGM.

The Administrative Guide for the AGM with detailed registration and voting procedures were made available and can be viewed and downloaded from the website of the Company and Bursa Securities at www.berjaya.com/berjaya-food/ and www.bursamalaysia.com respectively. The Company had appointed SS E Solutions Sdn Bhd as poll administrators to conduct the polling process on all resolutions tabled at the AGM and Commercial Quest Sdn Bhd as the independent scrutineers to verify the poll results. The independent scrutineers announced the poll results of the AGM with details on the number of votes cast for and against for each resolution together with the respective percentages which were simultaneously displayed on the screen. The poll results were also announced to Bursa Securities on the same day by the Company. The minutes of the Thirteenth AGM, confirmed and signed by the Chairman, was made available on the Company's website after the AGM.

This CG Overview Statement was approved by the Board of the Company on 11 October 2023.

STATEMENT ON 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”) and Chief Financial Officer (“CFO”) that the Group’s governance, 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 and CFO attend 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 and CFO 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 review and 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 required table implemented by the business units.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 73 to 78 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

WHISTLEBLOWING POLICY

The Group has a whistleblowing policy, which provides an avenue for employees, 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 known improper conduct on a confidential basis without fear of any form of victimisation, harassment, retribution or retaliation. The whistleblowing policy is published on the Company's website.

ANTI-BRIBERY AND CORRUPTION POLICY

In response to Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Group has established its Anti-Bribery and Corruption Policy, titled Adequate Procedures To Curb and Prevent Bribery and Corruption - T.R.U.S.T. Concept. The Group and affiliated companies strictly adopt a zero-tolerance policy approach against all forms of bribery and corruption in its daily operations, and 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 Adequate Procedures To Curb and Prevent Bribery and Corruption - T.R.U.S.T. Concept is published on the Company's website.

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.

For the financial year ended 30 June 2023, the ARMC held four (4) meetings where it reviewed and evaluated the adequacy of risk management activities of various unlisted operating subsidiary companies (i.e. Berjaya Roasters (M) Sdn Bhd, Berjaya Starbucks Coffee Company Sdn Bhd, Berjaya Jollibean (M) Sdn Bhd and Jollibean Foods Pte Ltd) and recommended certain measures to be adopted to mitigate their business risk exposures.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 2023, 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 (“ARMC”) for the financial year ended 30 June 2023.

COMPOSITION OF ARMC

The members of the ARMC are as follows:-

Datin Chee Yoke Kuan

- *Chairman/ Independent Non-Executive Director*

Wan Nor Aida Binti Wan Azmi

- *Independent Non-Executive Director*

Tan Thiam Chai

- *Non-Independent Non-Executive Director*

The ARMC comprises three (3) members and all of them are Non-Executive Directors with a majority of them being independent directors. The Chairman of the ARMC is a member of the Malaysian Institute of Accountants and a fellow member of the Association of Chartered Certified Accountants. None of the ARMC members is an alternate director. The composition of the ARMC has complied with Paragraph 15.09 (1) and (2) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Chairman of the ARMC is an Independent Non-Executive Director of the Company and she is not the Chairman of the Board. This composition has complied with Paragraph 15.10 of the MMLR of Bursa Securities and also in line with Practice 9.1 of the Malaysian Code on Corporate Governance.

MEETINGS

The ARMC held five (5) meetings during the financial year ended 30 June 2023. The details of attendance of the ARMC members are as follows:-

Name	Attendance
Datuk Zainun Aishah Binti Ahmad #	5/5 [^]
Dato’ (Dr) Mustapha Bin Abd Hamid *	5/5 [^]
Tan Thiam Chai	5/5
Datin Chee Yoke Kuan **	-
Wan Nor Aida Binti Wan Azmi ***	-

Notes:

During the financial year, Datuk Zainun Aishah Binti Ahmad has ceased as the Chairman of ARMC following her resignation as an Independent Director of the Company on 31 May 2023.

* During the financial year, Dato’ (Dr) Mustapha Bin Abd Hamid has ceased as a member of ARMC on 8 June 2023 following his redesignation as Non-Independent Non-Executive Director of the Company on 1 June 2023.

** During the financial year, Datin Chee Yoke Kuan was appointed as the Chairman of ARMC on 8 June 2023. There was no ARMC meeting held subsequent to the date of her appointment up to 30 June 2023.

*** During the financial year, Wan Nor Aida Binti Wan Azmi was appointed as a member of ARMC on 8 June 2023. There was no ARMC meeting held subsequent to the date of her appointment up to 30 June 2023.

[^] Reflects the attendance and the number of meetings held during the financial year since the Director held office.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

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 Chief Financial Officer of the Company and Berjaya Corporation Berhad as well as the General Manager of Group Internal Audit 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 Audit and Risk Management Committee ("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 2023:-

Financial Reporting

- (a) Reviewed the quarterly financial results 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 Results
16 August 2022	Fourth quarter results as well as the unaudited results of the Group for the financial year ended 30 June 2022
10 November 2022	First quarter results for financial year ended 30 June 2023
13 February 2023	Second quarter results for financial year ended 30 June 2023
18 May 2023	Third quarter results for financial year ended 30 June 2023

The above review is to ensure that the Company's quarterly financial reporting and disclosures present a true and fair view of the Group's financial position and performance and are in compliance with the Malaysian Financial Reporting Standard ("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 year ended 30 June 2022 at its meeting held on 11 October 2022 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 the financial year ended 30 June 2022 prepared by the External Auditors at the meeting held on 16 August 2022.

External Audit

- (a) Evaluated the performance of the External Auditors for the financial year ended 30 June 2022 covering areas such as calibre of external 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 PLT ("EY"), had recommended to the Board for approval of the re-appointment of EY as External Auditors for the ensuing financial year of 30 June 2023 at its meeting held on 11 October 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- (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 matters which were raised in the external auditors' report for the financial year ended 30 June 2022.

The ARMC also had private discussions with the External Auditors on 16 August 2022, 11 October 2022 and 18 May 2023, without the presence of Management during the review of the audited financial statements for the year ended 30 June 2022 and also the audit plan for year ended 30 June 2023 to discuss any problems/issues arising from the previous year final audit, proper disclosure of information 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 18 May 2023, their audit plan for the financial year ended 30 June 2023, outlining the EY client service team, audit emphasis, audit quality, auditors' independence, digital audit, audit timeline, digital roadmap, materiality in planning and performing audit, assessment of internal control environment, fraud considerations and the risk of management override of controls, group audit scoping, management's expert, integrating technology risk based approach into the overall audit approach as well as the updates on the implementation of the International Standard on Auditing 315.

Internal Audit

- (a) Reviewed the Internal Audit Reports on the Company's subsidiaries namely, Berjaya Roasters (M) Sdn Bhd ("BRoasters"), Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks"), Berjaya Jollibean (M) Sdn Bhd ("BJollibean") and Jollibean Foods Pte Ltd ("JFPL") 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 2024 to ensure that the scope and coverage of the internal audit on the operations of the BFood Group is adequate, comprehensive and that all the risk areas are audited annually.
- (c) Assessed the adequacy of the scope, competency and performance of internal audit function and its effectiveness of the audit processes for the financial year ended 30 June 2022.

Recurrent Related Party Transactions

- (a) Reviewed the 2022 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;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- (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, among 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, BRoasters, BStarbucks, BJollibean and JFPL including the risk descriptions, risk mitigation strategies and controls and its existing controls to ensure the business activities and risk areas are re-aligned and enhanced on an on-going basis.
- (b) Reviewed the summary of the risk register covering areas such as the likelihood of occurrence, the impact of the risks, risk score, risk treatment, risk owner and control effectiveness to ensure that the management of the relevant risks is appropriately placed within the Group.

Related Party Transactions

The ARMC also reviewed the transactions with related parties and/or interested persons to ensure that such transactions are undertaken on an arm's length basis, on normal commercial terms consistent with the Company's business practices and policies, not prejudicial to the interests of the Company and its minority shareholders and on terms which are generally no more favourable to the related parties and/or interested persons (pursuant to Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad).

During the financial year ended 30 June 2023, the ARMC had reviewed the related party transaction on the proposed acquisition of 11,870,000 ordinary shares representing 1.07% equity interest in 7-Eleven Malaysia Holdings Berhad ("SEM") by Berjaya Food (International) Sdn Bhd from True Ascend Sdn Bhd for a total cash consideration of about RM21,960,000 or at RM1.85 per SEM share prior to their recommendation to the Board for approval and to make the relevant announcements thereof.

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 2022 Annual Report.
- (b) Reviewed and verified the allocation and movement of the Employees' Share Scheme ("ESS") for the period from 1 July 2021 to 17 November 2021, the expiry date of the ESS, to ensure compliance with the ESS's By-Laws.
- (c) Reviewed and assessed the financial literacy of the ARMC members for the financial year ended 30 June 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- (d) Reviewed and recommended to the Board the distribution of interim dividends for the financial year ended 30 June 2023 based on the solvency test conducted, that the distribution of dividend was in accordance with the provision made under the Companies Act 2016.
- (e) Reviewed the pre-approval for the list of non-assurance services to be provided by the External Auditors.

In order to discharge the above duties and responsibilities of ARMC effectively, the ARMC members had undertaken continuous professional development by having attended various seminars, training programmes and conferences during the financial year. They were also briefed by the External Auditors of the latest accounting and audit 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 the governance, risk management, and 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 units of the Group involved in the development and operation of the “Kenny Rogers Roasters” chain of restaurants in Malaysia, “Starbucks Coffee” stores in Malaysia, “Jollibean” & “Sushi Deli” outlets in Singapore, production & distribution of “Joybean” soya milk & soy puddings, and sales & distribution of premium “Consumer Packaged Goods”.

The activities undertaken by the Internal Audit Division during the financial year ended 30 June 2023 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 with opinion on the adequacy and operation effectiveness of the operating unit’s governance, risk management and internal control processes, 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 2023 was approximately RM270,500.00.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

PERFORMANCE OF AUDIT AND RISK MANAGEMENT COMMITTEE

The Board assessed and evaluated the performance of the Audit and Risk Management Committee (“ARMC”) and its members through Nomination Committee for the financial year ended 30 June 2023. Based on the outcome of the annual assessment, the Board was satisfied with the performance of the ARMC and its members and concluded that they have effectively discharged their functions, duties and responsibilities in accordance with the Terms of Reference of the ARMC.

The Terms of Reference of the ARMC was last revised and reviewed by the ARMC and approved by the Board on 14 August 2023. The latest 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.

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DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

PRINCIPAL ACTIVITIES

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

RESULTS

	<u>Group</u> <u>RM'000</u>	<u>Company</u> <u>RM'000</u>
Profit for the year	<u>101,102</u>	<u>82,438</u>
Attributable to:		
- Owners of the parent	103,404	82,438
- Non-controlling interests	<u>(2,302)</u>	<u>-</u>
	<u>101,102</u>	<u>82,438</u>

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIRECTORS' REPORT

DIVIDENDS

	RM'000
The dividends paid by the Company since 30 June 2022 were as follows:	
<u>In respect of the financial year ended 30 June 2022</u>	
Fourth interim dividend of 0.40 sen per share single-tier dividend, paid on 22 September 2022 #	<u>7,081</u>
<u>In respect of the financial year ended 30 June 2023</u>	
First interim dividend of 0.50 sen per share single-tier dividend, paid on 20 December 2022	8,771
Second interim dividend of 2.00 sen per share single-tier dividend, paid on 22 March 2023	35,085
Third interim dividend of 0.50 sen per share single-tier dividend, paid on 23 June 2023	<u>8,771</u>
	<u>52,627</u>
Total dividend paid during the financial year ended 30 June 2023	<u><u>59,708</u></u>

The directors declared and approved on 14 August 2023:

In respect of the financial year ended 30 June 2023

Fourth interim dividend of 0.50 sen per share single-tier dividend, paid on 26 September 2023	<u><u>8,771*</u></u>
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* The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for in the equity attributable to equity holders of the Company as an appropriation of retained earnings in the financial year ending 30 June 2024.

The dividend per share has been adjusted for the bonus issue on the basis of four (4) bonus shares for every one (1) ordinary share of the Company.

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

DIRECTORS

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

Dato' Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin	
Dato' Sydney Lawrance Quays	
Dato' (Dr) Mustapha Bin Abd Hamid	
Tan Thiam Chai	
Chryseis Tan Sheik Ling	
Datin Chee Yoke Kuan	(Appointed on 31 May 2023)
Wan Nor Aida Binti Wan Azmi	(Appointed on 8 June 2023)
Datuk Zainun Aishah Binti Ahmad	(Resigned on 31 May 2023)

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 also the directors of the Company are:

Azlan Shah Bin Alladin
Chin Wan Ching
Dato' Lee Kok Chuan
Dato' Sri Robin Tan Yeong Ching

DIRECTORS' REPORT

DIRECTORS (CONTINUED)

Djeng Shih Kien
 Lim Sing Pheng
 Luis A/L Daniel
 Mohammed Fauzi Bin Hussein Nazri
 Mark John Graham
 YAM Pengiran Muda Abdul Qawi
 Ng Yong Teck, Simon
 Tan Yew Chuan

(Resigned on 28 April 2023)

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.

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 amounts of emoluments received or due and receivable by the directors as shown in Note 25 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 RM38,276. 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 30.6.2023
	At 1.7.2022	Acquired	Disposed	
The Company				
Dato' Seri Diraja Tunku Shazuddin				
Ariff Ibni Sultan Sallehuddin	116,000	464,000 #	-	580,000
Dato' Sydney Lawrance Quays	840,000	3,360,000 #	-	4,200,000
		40,000	-	40,000
(a) Dato' (Dr) Mustapha bin Abd Hamid	10,000	40,000 #	-	50,000
	181,000	724,000 #	-	905,000
Tan Thiam Chai	404,700	1,618,800 #	-	2,023,500

Subsidiary companies:

	Number of ordinary shares			At 30.6.2023
	At 1.7.2022	Acquired	Disposed	
Jollibean Foods Pte Ltd				
Dato' Sydney Lawrance Quays	50,000	-	-	50,000

DIRECTORS' REPORT

	Number of ordinary shares			
	At 1.7.2022	Acquired	Disposed	At 30.6.2023
Berjaya Kelava Sdn Bhd				
Dato' Sydney Lawrance Quays	15,720	-	-	15,720

Ultimate holding company:

	Number of ordinary shares			
	At 1.7.2022	Acquired	Disposed	At 30.6.2023
Berjaya Corporation Berhad ("BCorp")				
Dato' Sydney Lawrance Quays	26	-	-	26
Tan Thiam Chai	152,671	-	-	152,671
(a) Chryseis Tan Sheik Ling	128,979	-	-	128,979
(a) Chryseis Tan Sheik Ling	486,026	-	-	486,026
(a) Chryseis Tan Sheik Ling	-	80,000,000	-	80,000,000

**Number of 2% Irredeemable Convertible
Unsecured Loan Stocks 2016/2026 of
RM1.00 nominal value each**

	At 1.7.2022	Acquired	Disposed	At 30.6.2023
Tan Thiam Chai	1,000	-	-	1,000

Number of warrants 2016/2026

	At 1.7.2022	Acquired	Disposed	At 30.6.2023
Tan Thiam Chai	1,000	-	-	1,000

Related companies:

	Number of ordinary shares			
	At 1.7.2022	Acquired	Disposed	At 30.6.2023
Berjaya Land Berhad ("BLand")				
Tan Thiam Chai	40,000	-	-	40,000
Chryseis Tan Sheik Ling	5,000,000	-	-	5,000,000

	Number of ordinary shares			
	At 1.7.2022	Acquired	Disposed	At 30.6.2023
Sports Toto Berhad ("SPToto")				
Tan Thiam Chai	174,006	1,450 [^]	-	175,456
(a) Tan Thiam Chai	134,496	1,119 [^]	-	135,615

	Number of ordinary shares			
	At 1.7.2022	Acquired	Disposed	At 30.6.2023
Berjaya Burger Sdn Bhd				
Dato' Sydney Lawrance Quays	780,000	-	-	780,000

Notes:

(a) Indirect interests pursuant to Section 59(11)(c) of the Companies Act 2016.

[^] Share dividend distribution by SPToto on the basis of one (1) SPToto treasury share for every one hundred and twenty (120) existing SPToto ordinary shares held on 21 October 2022.

Bonus Issue by BFood on the basis of four (4) bonus shares for every one (1) existing BFood ordinary share on 5 September 2022.

Other than as disclosed above, none of the other Directors in office at the end of the financial year had any interest in the ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' REPORT

ISSUE OF SHARES

During the financial year, the Company increased its ordinary shares by issuance of 1,558,106,228 new ordinary shares from 389,526,557 units to 1,947,632,785 units by way of the issuance of bonus Issue on the basis of four (4) bonus shares for every one (1) existing ordinary share held on 5 September 2022 and its fully paid-up capital remains as RM257,920,251.

TREASURY SHARES

During the financial year, the Company bought back 48,429,500 (2022: 8,500,000) units of the ordinary shares. The number of treasury shares held in hand as at 30 June 2023 were 193,364,250 (2022: 144,934,750) units.

As at 30 June 2023, the issued ordinary share capital of the Company with voting rights was 1,754,268,535 (2022: 1,802,698,035) 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 allowance for doubtful debts and satisfied themselves that there were no known bad debts and that no allowance for doubtful debts was necessary; and
 - (ii) to ensure that any current asset which was unlikely to realise its value as shown in the accounting records in the ordinary course of business had been written down to an amount which it might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or to make any allowance for doubtful debts in respect of the financial statements of the Group and of the Company; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

DIRECTORS' REPORT

- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 38 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

Significant event subsequent to the financial year is disclosed in Note 39 to the financial statements.

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The remuneration of the auditors of the Group is disclosed in Note 24 to the financial statements.

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 11 October 2023

Dato' Sydney Lawrance Quays

Tan Thiam Chai

STATEMENT BY DIRECTORS

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

We, Dato' 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 88 to 160 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 2023 and of the results and the cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 11 October 2023

Dato' 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 88 to 160 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 11 October 2023

) Chin Wan Ching
MIA No: 16228

Before me:

Y.M TENGKU NUR ATHIYA TENGKU FARIDDUDIN (W881)
Commissioner for Oaths

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

As At 30 June 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current assets					
Property, plant and equipment	3	332,121	293,433	-	1
Right-of-use assets	4	425,077	381,093	-	-
Subsidiary companies	5	-	-	415,080	438,549
Joint venture	6	4,650	-	5,000	-
Other investment	7	23,621	-	-	-
Intangible assets	8	467,293	459,723	-	-
Deposits	10	16,719	18,774	-	-
Deferred tax assets	17	8,040	7,322	-	-
		<u>1,277,521</u>	<u>1,160,345</u>	<u>420,080</u>	<u>438,550</u>
Current assets					
Inventories	9	59,258	51,800	-	-
Trade and other receivables	10	32,044	56,906	56,940	86,447
Tax recoverable		25,071	581	-	-
Short term investment	11	2,173	25,758	-	-
Deposits with financial institutions	12	9,595	10,607	9,133	8,945
Cash and bank balances		40,481	32,337	950	673
		<u>168,622</u>	<u>177,989</u>	<u>67,023</u>	<u>96,065</u>
TOTAL ASSETS		<u>1,446,143</u>	<u>1,338,334</u>	<u>487,103</u>	<u>534,615</u>
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	13	257,920	257,920	257,920	257,920
Reserves	14	320,537	275,157	228,902	206,172
		578,457	533,077	486,822	464,092
Treasury shares	15	(85,328)	(45,437)	(85,328)	(45,437)
		493,129	487,640	401,494	418,655
Non-controlling interests		(5,460)	(2,968)	-	-
Total equity		<u>487,669</u>	<u>484,672</u>	<u>401,494</u>	<u>418,655</u>
Non-current liabilities					
Long term borrowings	16	54,963	94,931	51,905	91,710
Lease liabilities	4	384,336	338,010	-	-
Deferred tax liabilities	17	-	-	-	-
Provision	18	15,004	12,823	-	-
		<u>454,303</u>	<u>445,764</u>	<u>51,905</u>	<u>91,710</u>
Current liabilities					
Trade and other payables	19	150,782	134,874	18,530	24,236
Provision	18	5,660	5,899	-	-
Short term borrowings	20	185,842	110,557	14,979	-
Lease liabilities	4	70,947	65,662	-	-
Taxation		630	14,429	195	14
Contract liabilities	21	90,310	76,477	-	-
		<u>504,171</u>	<u>407,898</u>	<u>33,704</u>	<u>24,250</u>
Total liabilities		<u>958,474</u>	<u>853,662</u>	<u>85,609</u>	<u>115,960</u>
TOTAL EQUITY AND LIABILITIES		<u>1,446,143</u>	<u>1,338,334</u>	<u>487,103</u>	<u>534,615</u>

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 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	22	1,115,966	997,762	112,470	117,990
Cost of sales		(606,329)	(474,432)	-	-
Gross profit		509,637	523,330	112,470	117,990
Other income		17,763	13,363	1,573	19,443
Administrative expenses		(316,548)	(294,782)	(2,818)	(3,157)
Selling and distribution expenses		(26,483)	(21,443)	-	-
Other expenses		(6,456)	(5,908)	(23,469)	-
		177,913	214,560	87,756	134,276
Finance costs	23	(28,829)	(26,568)	(4,946)	(5,762)
Share of results of joint venture		(350)	-	-	-
Profit before tax	24	148,734	187,992	82,810	128,514
Income tax expense	26	(47,632)	(65,327)	(372)	(87)
Profit for the year		101,102	122,665	82,438	128,427
Other comprehensive income:					
<u>Item that may be reclassified</u>					
<u>subsequent to profit or loss</u>					
- Foreign currency translation		(132)	(15)	-	-
<u>Item that will not be reclassified</u>					
<u>subsequently to profit or loss:</u>					
- Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")		1,626	-	-	-
Total comprehensive income for the year		102,596	122,650	82,438	128,427
Profit attributable to:					
- Owners of the parent		103,404	124,776	82,438	128,427
- Non-controlling interests		(2,302)	(2,111)	-	-
		101,102	122,665	82,438	128,427
Total comprehensive income attributable to:					
- Owners of the parent		105,088	124,781	82,438	128,427
- Non-controlling interests		(2,492)	(2,131)	-	-
		102,596	122,650	82,438	128,427
Earnings per share (sen)	27				
- Basic		5.88	6.93		
- Diluted		5.88	6.93		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 30 June 2023

GROUP	Attributable to the equity holders of the Company										Total equity
	Non-distributable					Distributable				Non-controlling interests	
	Share capital	FVTOCI reserve	Employees' share plan reserve	Consolidation reserve	Exchange reserve	Merger deficit	Retained earnings	Treasury shares	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 July 2021	246,774	-	3,629	729	898	(55,087)	220,015	(41,388)	375,570	(1,030)	374,540
Profit for the year	-	-	-	-	-	-	124,776	-	124,776	(2,111)	122,665
Other comprehensive income	-	-	-	-	5	-	-	-	5	(20)	(15)
Total comprehensive income for the year	-	-	-	-	5	-	124,776	-	124,781	(2,131)	122,650
Transactions with owners											
Share-based payment under Employee Shares Scheme ("ESS")	-	-	87	-	-	-	-	-	87	-	87
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	193	193
Reissued for ESS shares vested	-	-	(958)	-	-	-	34	924	-	-	-
Treasury shares acquired	-	-	-	-	-	-	-	(4,973)	(4,973)	-	(4,973)
ESS options exercised	10,767	-	(2,379)	-	-	-	-	-	8,388	-	8,388
ESS options forfeited	12	-	(12)	-	-	-	-	-	-	-	-
ESS expired	367	-	(367)	-	-	-	-	-	-	-	-
Dividends (Note 28)	-	-	-	-	-	-	(16,213)	-	(16,213)	-	(16,213)
	11,146	-	(3,629)	-	-	-	(16,179)	(4,049)	(12,711)	193	(12,518)
At 30 June 2022/1 July 2022	257,920	-	-	729	903	(55,087)	328,612	(45,437)	487,640	(2,968)	484,672
Profit for the year	-	-	-	-	-	-	103,404	-	103,404	(2,302)	101,102
Other comprehensive income	-	1,626	-	-	58	-	-	-	1,684	(190)	1,494
Total comprehensive income for the year	-	1,626	-	-	58	-	103,404	-	105,088	(2,492)	102,596
Transactions with owners											
Treasury shares acquired	-	-	-	-	-	-	-	(39,891)	(39,891)	-	(39,891)
Dividends (Note 28)	-	-	-	-	-	-	(59,708)	-	(59,708)	-	(59,708)
	-	-	-	-	-	-	(59,708)	(39,891)	(99,599)	-	(99,599)
At 30 June 2023	257,920	1,626	-	729	961	(55,087)	372,308	(85,328)	493,129	(5,460)	487,669

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

STATEMENT OF CHANGES IN EQUITY

For The Year Ended 30 June 2023

COMPANY	Share capital	Non-distributable Employees' share plan reserve	Distributable Retained earnings	Treasury shares	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2021	246,774	3,629	93,924	(41,388)	302,939
Total comprehensive income for the year	-	-	128,427	-	128,427
Transactions with owners					
Share-based					
payment under ESS	-	87	-	-	87
Reissued for ESS shares vested	-	(958)	34	924	-
Treasury shares acquired	-	-	-	(4,973)	(4,973)
ESS options exercised	10,767	(2,379)	-	-	8,388
ESS options forfeited	12	(12)	-	-	-
ESS expired	367	(367)	-	-	-
Dividends (Note 28)	-	-	(16,213)	-	(16,213)
	11,146	(3,629)	(16,179)	(4,049)	(12,711)
At 30 June 2022/1 July 2022	257,920	-	206,172	(45,437)	418,655
Total comprehensive income for the year	-	-	82,438	-	82,438
Transactions with owners					
Treasury shares acquired	-	-	-	(39,891)	(39,891)
Dividends (Note 28)	-	-	(59,708)	-	(59,708)
	-	-	(59,708)	(39,891)	(99,599)
At 30 June 2023	257,920	-	228,902	(85,328)	401,494

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

STATEMENTS OF CASH FLOWS

For The Year Ended 30 June 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	1,115,769	1,008,504	-	-
Payment to suppliers and operating expenses	(780,285)	(638,197)	(3,772)	(2,197)
Payment of taxes	(86,629)	(53,179)	(191)	(53)
Other receipts	632	4,041	-	-
Net cash flow generated from/(used in) operating activities	249,487	321,169	(3,963)	(2,250)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sales of property, plant and equipment	142	271	-	-
Disposal of short term investments	35,486	-	-	-
Acquisition of property, plant and equipment (Note a)	(85,497)	(64,482)	-	-
Acquisition of intangible assets	(11,223)	(3,767)	-	-
Acquisition of other investment	(31,970)	(26,130)	-	-
Acquisition of investment in joint venture	(5,000)	-	(5,000)	-
Interest received	565	312	200	150
Dividend received	641	-	134,352	114,310
Loan to a subsidiary company	-	-	(42,106)	(57,398)
Repayment from a subsidiary company	-	-	51,290	178
Un-invested fund owing from a related company (Note 10)	-	(22,467)	-	-
Withdrawn of un-invested fund owing from a related company	22,467	-	-	-
Net cash flow (used in)/generated from investing activities	(74,389)	(116,263)	138,736	57,240
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of share capital	-	8,204	-	8,204
Issuance of share capital to non-controlling interest of a subsidiary company	-	16	-	-
Treasury shares acquired	(39,891)	(4,973)	(39,891)	(4,973)
Drawdown of bank borrowings	159,648	88,725	-	-
Repayment of bank borrowings	(124,500)	(167,878)	(25,000)	(35,000)
Payment of hire purchase	(1,505)	(1,795)	-	-
Payment of principal portion of lease liabilities	(74,132)	(69,838)	-	-
Interest paid	(28,560)	(26,317)	(3,696)	(4,551)
Dividends paid	(59,708)	(16,213)	(59,708)	(16,213)
Advance from related/subsidiary companies	86	640	6,573	388
Repayment to related/subsidiary companies	(434)	(472)	(12,586)	(2,881)
Net cash flow used in financing activities	(168,996)	(189,901)	(134,308)	(55,026)
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,102	15,005	465	(36)
EFFECT OF EXCHANGE RATE CHANGES	1,030	192	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR*	42,944	27,747	9,618	9,654
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	50,076	42,944	10,083	9,618

STATEMENTS OF CASH FLOWS

For The Year Ended 30 June 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH AND CASH EQUIVALENTS				
The closing cash and cash equivalents comprise of the following:				
Cash and bank balances	40,481	32,337	950	673
Deposits with financial institutions	9,595	10,607	9,133	8,945
	<u>50,076</u>	<u>42,944</u>	<u>10,083</u>	<u>9,618</u>

Notes:

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Payment for current year acquisition (Note 3)	75,204	60,978	-	-
Payment for previous year acquisition	10,293	3,504	-	-
	<u>85,497</u>	<u>64,482</u>	<u>-</u>	<u>-</u>

- b) Changes in liabilities arising from financing activities:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Total borrowings</u>				
At beginning of the year	205,488	286,223	91,710	126,497
Drawdown of bank borrowings	159,648	88,725	-	-
Additional hire purchase	1,469	-	-	-
Repayment of bank borrowings and hire purchase	(126,005)	(169,673)	(25,000)	(35,000)
Charge out of deferred transaction costs (Note 23)	174	213	174	213
Exchange differences	31	-	-	-
At end of the year	<u>240,805</u>	<u>205,488</u>	<u>66,884</u>	<u>91,710</u>

STATEMENTS OF CASH FLOWS

For The Year Ended 30 June 2023

b) Changes in liabilities arising from financing activities (continued):

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Due to related/subsidiary companies</u>				
At beginning of the year	413	245	22,359	23,620
Advance from related/subsidiary companies	86	640	6,573	388
Repayment to related/subsidiary companies	(434)	(472)	(12,586)	(2,881)
Interest charged by subsidiary company	-	-	1,043	1,232
At end of the year	65	413	17,389	22,359

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

	Group	
	2023 RM'000	2022 RM'000
Total cash outflow for leases:		
- payment for principal portion of lease liabilities	74,132	69,838
- interest paid on lease liabilities	19,093	17,098
- payment of expenses relating to short term leases	3,589	4,255
- payment of expenses relating to leases of low-value assets	98	111
- variable payments for leases	44,348	19,849
	141,260	111,151

* The comparative cash and cash equivalents at beginning of the year have been restated to include the monies held in debt service reserve accounts as a component of cash and cash equivalents, in accordance with the decision reached by the IFRS Interpretation Committee, which was published in IFRIC Update in April 2022.

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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
 BGroup – Berjaya Group Berhad
 BFI – Berjaya Food (International) Sdn Bhd
 BFSSB – Berjaya Food Supreme Sdn Bhd
 BFT – Berjaya Food Trading Sdn Bhd
 BJM – Berjaya Jollibean (M) Sdn Bhd
 BKelava – Berjaya Kelava Sdn Bhd
 BPB – Berjaya Paris Baguette Sdn Bhd
 BRoasters – Berjaya Roasters (M) Sdn Bhd
 BStarbucks – Berjaya Starbucks Coffee Company Sdn Bhd
 JFPL – Jollibean Foods Pte Ltd
 SER – Ser Vegano Sdn Bhd
 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, 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.

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 immediate 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 11 October 2023.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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.

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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.

Capital work-in-progress 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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 of 4 years 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.

(v) Computer software development cost

Computer software development cost included in intangible asset are not amortised as these assets are not yet available for use.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.2 Summary of significant accounting policies (continued)****2.2.4 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average 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.

2.2.5 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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 or by the Group.

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

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

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

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation technique for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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: Revenue from Contracts with Customers, are measured at the transaction price determined under MFRS 15.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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.

(ii) FVTOCI

Debt instruments

This category comprises investments in debt instrument, which are held within a business model whose objective is collecting contractual cash flows and selling the debt investments, and its contractual terms give rise to cash flows on specified dates that are SPPI on the principal amount outstanding. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment losses or reversals are recognised in profit or loss. Fair value changes are recognised in other comprehensive income.

On derecognition of these financial assets, the fair value changes accumulated in other comprehensive income are recycled to profit or loss.

Equity instruments

This category comprises investments in equity instrument that are not held for trading, and where the Company irrevocably elect to account for subsequent changes in the investments' fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividends clearly represent part recovery of the cost of investment. Other net gains and losses are recognised in other comprehensive income.

On derecognition of these financial assets, fair value changes and other net gains and losses accumulated in other comprehensive income are not recycled to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.2 Summary of significant accounting policies (continued)****2.2.7 Financial instruments (continued)****(1) Financial assets (continued)****(iii) Fair value through profit or loss ("FVTPL")**

All financial assets not classified as amortised cost or FVTOCI as described above are classified as FVTPL. This includes derivative financial assets (except for derivatives that are designated as effective hedging instruments). On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be classified as financial asset at amortised cost or at FVTOCI, as a financial asset at FVTPL, if doing so, eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. Other net gains or losses, including any interest or dividend income, are also recognised in profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment assessment.

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 retain/ed 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) 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 FVTPL.

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.7 Financial instruments (continued)

(2) Financial liabilities (continued)

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 statements 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.2 Summary of significant accounting policies (continued)****2.2.14 Leases**

A lease, as defined in MFRS 16: Leases, 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:

Properties	2 to 27 years
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'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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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 presents 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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 recognises 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 satisfied 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 satisfied 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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 provides 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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 and joint venture, 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 and joint venture, 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies

The significant accounting policies adopted by the Group and the Company are consistent with those of the previous financial year, except for the adoption of the following Amendments to MFRSs, effective for financial periods beginning on or after 1 January 2022:

- Amendments to MFRS 3: Business Combinations – Reference to the 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 – Costs of Fulfilling a Contract
- Amendments to MFRS 1, MFRS 9, MFRS 16, MFRS 141 – Annual Improvements to MFRS Standards 2018 - 2020

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

2.4 Standards and interpretations issued but not yet effective

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

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

- MFRS 17: Insurance Contracts
- Amendments to MFRS 4: Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9
- Amendments to MFRS 17: Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101: Presentation of Financial Statements – Disclosure of Accounting Policies
- Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112: Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112: Income Taxes – International Tax Reform – Pillar Two Model Rules

Effective for financial periods beginning on or after 1 January 2024:

- Amendments to MFRS 101: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Presentation of Financial Statements – Non-current Liabilities with Covenants
- Amendments to MFRS 16: Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 107: Statement of Cash Flows and MFRS 7: Financial Instruments Disclosures - Supplier Finance Arrangements

Effective for financial periods beginning on or after 1 January 2025:

- Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.4 Standards and interpretations issued but not yet effective (continued)****Effective date yet to be determined:**

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

The new MFRS and Amendments to MFRSs 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 MFRS and Amendments to MFRSs.

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:

- 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 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 reassesses 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:

- Impairment assessment of goodwill and trademark

The Group performs an impairment test on its goodwill and trademark at least annually 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 8.1 and Note 8.2.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements (continued)

(b) Key sources of estimation uncertainty (continued)

(ii) Contract liabilities

Contract liabilities represent 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 amount of sale proceeds apportioned to contract liabilities 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 liabilities are disclosed in Note 21.

(iii) Impairment of investment in subsidiaries

During the current financial year, the Company recognised impairment losses in respect of its investment in subsidiaries. The Company carried out the impairment test based on estimation of the VIU of the CGU of the subsidiary. 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. Further details are disclosed in Note 5.

(iv) 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(a).

(v) Provision for restoration costs

The Group leases stores under operating leases. The Group provides for an estimate of restoration costs expense at the lease inception date for operating leases with requirements to remove leasehold improvements at the end of the lease term. Estimating restoration costs involves subjective assumptions regarding both the amount and timing of actual future restoration costs. Future actual costs could differ significantly from amounts initially estimated. Further details are disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

3. PROPERTY, PLANT AND EQUIPMENT

GROUP	Office equipment, furniture and fittings and motor vehicles		Computer	Plant, machinery, kitchen equipment and smallwares		Renovations and restoration	Capital work-in-progress	Total
	Buildings							
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023								
<u>Net carrying amount</u>								
At beginning of year	44,292	24,321	6,252	61,670	142,741	14,157	293,433	
Additions	-	4,910	2,944	24,978	30,436	24,404	87,672	
Disposals	-	(13)	-	-	(3)	-	(16)	
Depreciation charge	(948)	(6,230)	(2,296)	(10,771)	(26,529)	-	(46,774)	
Write off	-	(190)	(20)	(360)	(732)	-	(1,302)	
Impairment	-	-	-	(3)	(1,614)	-	(1,617)	
Impairment reversal	-	-	-	-	406	-	406	
Exchange differences	-	47	(3)	15	260	-	319	
Reclassification	-	2,343	1,260	69	22,087	(25,759)	-	
At end of year	43,344	25,188	8,137	75,598	167,052	12,802	332,121	
As at 30 June 2023								
Cost	47,382	79,601	22,838	152,807	361,654	12,802	677,084	
Accumulated depreciation	(4,038)	(54,154)	(14,689)	(76,601)	(189,437)	-	(338,919)	
Accumulated impairment	-	(259)	(12)	(608)	(5,165)	-	(6,044)	
Net carrying amount	43,344	25,188	8,137	75,598	167,052	12,802	332,121	
2022								
<u>Net carrying amount</u>								
At beginning of year	28,751	26,534	5,321	55,264	147,207	5,940	269,017	
Additions	16,259	2,810	2,197	14,915	15,667	21,796	73,644	
Disposals	-	(75)	-	(218)	(17)	-	(310)	
Depreciation charge	(728)	(6,233)	(1,759)	(9,497)	(26,263)	-	(44,480)	
Write off	-	(407)	(4)	(125)	(3,202)	-	(3,738)	
Impairment	-	(15)	(3)	(22)	(755)	-	(795)	
Exchange differences	-	10	4	5	76	-	95	
Reclassification	10	1,697	496	1,348	10,028	(13,579)	-	
At end of year	44,292	24,321	6,252	61,670	142,741	14,157	293,433	
As at 30 June 2022								
Cost	47,382	74,483	19,912	130,338	316,301	14,157	602,573	
Accumulated depreciation	(3,090)	(49,911)	(13,649)	(68,067)	(169,219)	-	(303,936)	
Accumulated impairment	-	(251)	(11)	(601)	(4,341)	-	(5,204)	
Net carrying amount	44,292	24,321	6,252	61,670	142,741	14,157	293,433	

Included in property, plant and equipment of the Group are fully depreciated assets which are still in use costing about RM106,069,000 (2022: RM142,024,000).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY

	Furniture and fittings	Computer	Total
	RM'000	RM'000	RM'000
2023			
<u>Net carrying amount</u>			
At beginning of year	-	1	1
Depreciation charge	-	(1)	(1)
At end of year	-	-	-
As at 30 June 2023			
Cost	1	18	19
Accumulated depreciation	(1)	(18)	(19)
Net carrying amount	-	-	-
2022			
<u>Net carrying amount</u>			
At beginning of year	-	3	3
Depreciation charge	-	(2)	(2)
At end of year	-	1	1
As at 30 June 2022			
Cost	1	18	19
Accumulated depreciation	(1)	(17)	(18)
Net carrying amount	-	1	1

The additions in property, plant and equipment are analysed as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Hire purchase	1,469	-	-	-
Cash	75,204	60,978	-	-
Amounts due to suppliers	8,925	10,293	-	-
Provision for restoration cost	2,074	2,373	-	-
	<u>87,672</u>	<u>73,644</u>	<u>-</u>	<u>-</u>

Certain furniture and fittings, office equipment, motor vehicles and renovation with carrying amounts of RM5,933,000 (2022: RM4,535,000) 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 RM1,617,000 (2022: RM795,000) 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 11.00% to 12.50% (2022: 10.50% to 11.50%).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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	PROPERTIES	
	2023 RM'000	2022 RM'000
<u>Net carrying amount</u>		
At beginning of year	381,093	325,717
Additions	114,037	125,951
Depreciation charge	(80,694)	(76,474)
Reassessment	3,193	1,912
Modification	7,844	4,480
Impairment reversal	533	-
Impairment	(2,261)	(912)
Exchange differences	1,332	419
At end of year	<u>425,077</u>	<u>381,093</u>
Cost	703,766	603,207
Accumulated depreciation	(275,416)	(220,594)
Accumulated impairment	(3,273)	(1,520)
Net carrying amount	<u>425,077</u>	<u>381,093</u>

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 properties and the review has led to the following reconciliation:

- (1) An impairment loss of RM2,261,000 (2022: RM912,000), included in other expenses as disclosed in Note 24(c). The impairment loss was due to a decline in the recoverable amount of certain property for which the VIU was less than the carrying value.
- (2) A reversal of impairment loss of RM533,000 (2022: RM Nil), included in other income as disclosed in Note 24(d).
- (3) The recoverable amount was determined based on projected cash flows that is discounted at a rate of 12.50% (2022: 10.50% to 11.50%).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(b) Lease liabilities

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

	Group	
	2023	2022
	RM'000	RM'000
At beginning of year	403,672	343,003
Additions	114,037	125,951
Accretion of interest (Note 23)	19,093	17,098
Lease payments	(93,225)	(86,936)
Reassessment	3,193	1,912
Modification	6,784	2,338
Exchange difference	1,729	306
At end of financial year	<u>455,283</u>	<u>403,672</u>
Disclosed as:		
- Current	70,947	65,662
- Non-current	384,336	338,010
	<u>455,283</u>	<u>403,672</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

5. SUBSIDIARY COMPANIES

	Company	
	2023 RM'000	2022 RM'000
Unquoted shares in Malaysia, at cost	450,927	450,927
ESS granted to employees of subsidiary companies	7,630	7,630
	458,557	458,557
Less: Accumulated impairment	(43,477)	(20,008)
	415,080	438,549

During the current financial year, the Company conducted a review of recoverable amounts of investment in subsidiary companies and the review has led to an impairment amounting to RM23,469,000 (2022: impairment reversal of RM19,014,000). The recoverable amounts are determined based on VIU calculation. The discount rate used in the VIU calculation is 12.50% (2022: 11.50%).

Unquoted shares costing RM359,615,000 (2022: RM359,615,000) 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 [^]		% of ownership interest held by non-controlling interests [^]	
			2023	2022	2023	2022
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, consultancy services for food audit and certification; and training services for food handler.	100	100	-	-
BFT	Malaysia	Sale and distribution of food and beverage in Malaysia.	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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 [^]	
			2023	2022	2023	2022
Subsidiaries of BFI						
JFPL*	Singapore	Operation of retail outlets and food caterer in Singapore as well as to grant franchise to operate outlets both locally and internationally.	65	65	35	35
BFSSB#	Brunei	Development and operation of the "Starbucks Coffee" chain of cafes and retail stores in Brunei.	80	80	20	20
SER *@	Malaysia	Operates Latin-inspired, Tex-Mex, plant-based vegan restaurants under the name "Sala".	50	50	50	50
BKelava*	Malaysia	Carry on business of manufacturing and trading, producing vegan ice cream under the brand name of "Kelava".	51	51	49	49
BJM*	Malaysia	Production and distribution of food and beverages in Malaysia.	100	-	-	-
Subsidiary of JFPL:						
BJM	Malaysia	Production and distribution of food and beverages in Malaysia.	-	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.

[@] Accounted for as a subsidiary company as the Group has control in accordance with the requirements of MFRS 10 despite the Group's 50% shareholding.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2023

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.

	JFPL		BFSSB		Total	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current assets	10,796	9,495	15,748	12,391	26,544	21,886
Current assets	4,723	4,674	12,764	8,294	17,487	12,968
Non-current liabilities	(6,199)	(5,322)	(13,066)	(10,110)	(19,265)	(15,432)
Current liabilities	(24,496)	(19,842)	(4,400)	(1,856)	(28,896)	(21,698)
Net (liabilities)/assets	(15,176)	(10,995)	11,046	8,719	(4,130)	(2,276)
Equity attributable to the owners of the parent	(9,864)	(7,147)	8,837	6,975	(1,027)	(172)
Non-controlling interests	(5,312)	(3,848)	2,209	1,744	(3,103)	(2,104)
	(15,176)	(10,995)	11,046	8,719	(4,130)	(2,276)
Revenue	20,672	21,654	9,799	8,036	30,471	29,690
(Loss)/profit for the year	(3,133)	(4,348)	1,411	1,583	(1,722)	(2,765)
Other comprehensive income	(1,048)	(157)	916	142	(132)	(15)
Total comprehensive income for the year	(4,181)	(4,505)	2,327	1,725	(1,854)	(2,780)
(Loss)/profit attributable to the:						
- Owners of the parent	(2,036)	(2,826)	1,129	1,266	(907)	(1,560)
- Non-controlling interests	(1,097)	(1,522)	282	317	(815)	(1,205)
(Loss)/profit for the year	(3,133)	(4,348)	1,411	1,583	(1,722)	(2,765)
Total comprehensive income attributable to:						
- Owners of the parent	(2,717)	(2,928)	1,862	1,380	(855)	(1,548)
- Non-controlling interests	(1,464)	(1,577)	465	345	(999)	(1,232)
Total comprehensive income for the year	(4,181)	(4,505)	2,327	1,725	(1,854)	(2,780)
Net cash generated from/(used in)						
- Operating activities	1,376	3,622	5,336	3,911	6,712	7,533
- Investing activities	(1,703)	(1,188)	(1,512)	(613)	(3,215)	(1,801)
Net change in cash and cash equivalents	(327)	2,434	3,824	3,298	3,497	5,732

NOTES TO THE FINANCIAL STATEMENTS

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6. JOINT VENTURE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cost of investment	5,000	-	5,000	-
Share of post-acquisition reserves	(350)	-	-	-
	<u>4,650</u>	<u>-</u>	<u>5,000</u>	<u>-</u>

The Group's effective equity interest in the joint venture company, its principal activity and country of incorporation are shown below:

Name	Country of incorporation	Principal activities	% of ownership interest held by the Group [^]		% of ownership interest held by non-controlling interests [^]	
			2023	2022	2023	2022
Held by the Company:						
Berjaya Paris Baguette Sdn. Bhd. ("BPB")	Malaysia	Development and operation of the "Paris Baguette" chain of bakery and retail stores in Malaysia.	50	-	50	-

[^] equals to the proportion of voting rights held.

Summarised financial information in respect of BPB is set out below. The summarised financial information represents the amounts in the financial statements of the joint venture after modification of fair value adjustments arising from business combination and not the Group's share of those amounts.

GROUP

	BPB	
	2023 RM'000	2022 RM'000
Non-current assets	18,161	-
Current assets	7,289	-
Non-current liabilities	(12,500)	-
Current liabilities	(3,651)	-
Net assets	<u>9,299</u>	<u>-</u>
The amounts of assets and liabilities above include the following:		
Cash and cash equivalents	879	-
Non-current financial liabilities (excluding trade and other payables and provision)	<u>(12,500)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

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6. JOINT VENTURE (CONTINUED)

GROUP	BPB	
	2023 RM'000	2022 RM'000
Revenue	7,453	-
Loss for the period, representing total comprehensive income for the period	(701)	-
Loss for the period included the following:		
Depreciation	250	-
Finance costs	299	-

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

GROUP	BPB	
	2023 RM'000	2022 RM'000
Loss for the period	(701)	-
Share capital	10,000	-
Net assets	9,299	-
Group's equity interest	50%	-
Carrying value of Group's interest in joint venture	4,650	-

7. OTHER INVESTMENT

	Group	
	2023 RM'000	2022 RM'000
At fair value through other comprehensive income:		
- Quoted shares in Malaysia	23,621	-

Further details on the value hierarchy and classification of equity investments are disclosed in Notes 34 and 35 respectively.

NOTES TO THE FINANCIAL STATEMENTS

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8. INTANGIBLE ASSETS

GROUP

	Goodwill	Trademark	Licence fees	Development right fees	Computer software	Computer software development cost	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023							
<u>Net carrying amount</u>							
At beginning of year	427,791	7,646	21,793	20	2,473	-	459,723
Additions	-	-	3,930	-	1,039	6,254	11,223
Amortisation	-	-	(1,335)	(10)	(1,051)	-	(2,396)
Impairment	(1,117)	-	-	-	-	-	(1,117)
Write off	-	-	(155)	-	-	-	(155)
Exchange differences	-	-	9	-	6	-	15
At end of year	<u>426,674</u>	<u>7,646</u>	<u>24,242</u>	<u>10</u>	<u>2,467</u>	<u>6,254</u>	<u>467,293</u>
As at 30 June 2023							
Cost	430,676	7,646	34,957	114	13,925	6,254	493,572
Accumulated amortisation	-	-	(10,715)	(104)	(11,458)	-	(22,277)
Accumulated impairment	(4,002)	-	-	-	-	-	(4,002)
Net carrying amount	<u>426,674</u>	<u>7,646</u>	<u>24,242</u>	<u>10</u>	<u>2,467</u>	<u>6,254</u>	<u>467,293</u>
2022							
<u>Net carrying amount</u>							
At beginning of year	427,614	7,646	19,873	29	2,987	-	458,149
Additions	-	-	3,037	-	730	-	3,767
Additions - arising from acquisition of business operations	177	-	-	-	-	-	177
Amortisation	-	-	(1,121)	(9)	(1,244)	-	(2,374)
Exchange differences	-	-	4	-	-	-	4
At end of year	<u>427,791</u>	<u>7,646</u>	<u>21,793</u>	<u>20</u>	<u>2,473</u>	<u>-</u>	<u>459,723</u>
As at 30 June 2022							
Cost	430,676	7,646	31,196	114	12,878	-	482,510
Accumulated amortisation	-	-	(9,403)	(94)	(10,405)	-	(19,902)
Accumulated impairment	(2,885)	-	-	-	-	-	(2,885)
Net carrying amount	<u>427,791</u>	<u>7,646</u>	<u>21,793</u>	<u>20</u>	<u>2,473</u>	<u>-</u>	<u>459,723</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

8. INTANGIBLE ASSETS (CONTINUED)**8.1 Impairment testing on goodwill**

(1) Allocation of goodwill

Goodwill has been allocated to the Group's CGUs identified within the geographical segments as follows:

	Group	
	2023	2022
	RM'000	RM'000
Malaysia	423,032	423,032
Singapore	3,642	4,759
	<u>426,674</u>	<u>427,791</u>

(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 five-year period. 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 and market outlook.

(b) Discount rate

The discount rates used reflects specific risks relating to the CGU. The discount rates, applied to cash flows, used for identified CGUs within the Malaysia segment and Singapore segment are in the range of 12.50% (2022: 10.50% -11.50%) and 11.50% (2022: 11.50%) respectively.

(3) Sensitivity to changes in assumptions

After the provision for impairment of RM1,117,000 (2022: RM Nil), management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

(4) Impairment

During the current financial year, the Group carried out impairment assessment and recognised impairment of RM1,117,000 (2022: RM Nil) as disclosed in Note 24(c) in respect of goodwill allocated to 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

8. INTANGIBLE ASSETS (CONTINUED)**8.2 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 discount rate, applied to cash flows, used for the identified CGU is 11.50% (2022: 11.50%).

(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.

9. INVENTORIES

	Group	
	2023 RM'000	2022 RM'000
At cost		
Food and beverages	22,823	21,169
Inventories for resale	19,545	13,912
Spares and other supplies	16,890	16,719
	59,258	51,800

The cost of inventories recognised as an expense during the financial year of the Group amounted to RM327,746,000 (2022: RM279,708,000).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Current</u>				
Trade receivables				
- external parties	7,896	7,699	-	-
- related companies	549	477	-	-
	<u>8,445</u>	<u>8,176</u>	<u>-</u>	<u>-</u>
Other receivables				
Sundry receivables	3,645	1,917	204	5
Deposits	15,063	13,666	-	-
Amounts owing by				
- a related company	-	22,467	-	-
- subsidiary companies	-	-	56,506	64,336
	<u>18,708</u>	<u>38,050</u>	<u>56,710</u>	<u>64,341</u>
Other current assets				
Prepayments	4,891	10,680	32	26
Dividend receivable	-	-	198	22,080
	<u>4,891</u>	<u>10,680</u>	<u>230</u>	<u>22,106</u>
Total current receivables	<u>32,044</u>	<u>56,906</u>	<u>56,940</u>	<u>86,447</u>
<u>Non-current</u>				
Deposits	16,719	18,774	-	-
Total trade and other receivables	<u>48,763</u>	<u>75,680</u>	<u>56,940</u>	<u>86,447</u>

10.1 Trade receivables

The trade receivables are corporate customers and credit card companies which are generally on 6 - 90 (2022: 6 - 90) days term.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

10.2 Other receivables

(a) Sundry receivables

Sundry receivables are non-interest bearing and generally on 30 to 90 (2022: 30 to 90) days term.

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

	Group	
	2023 RM'000	2022 RM'000
At beginning of year	-	2,253
Written off	-	(2,253)
At end of year	-	-

(b) Amounts owing by subsidiary companies

The amounts owing by subsidiary companies are unsecured, repayable on demand and interest bearing.

(c) Amount owing by a related company

In the previous year, this represented the invested sum of the investment fund as disclosed in Note 11 that was held by the fund manager, which was a related company of the Group.

11. SHORT TERM INVESTMENT

	Group	
	2023 RM'000	2022 RM'000
At fair value through profit or loss:		
- Quoted shares in Malaysia	2,173	25,758

The above investments are in respect of a discretionary investment management agreement entered into with a fund manager as part of the Group's short-term cash management fund purposes.

Further details on fair value hierarchy and classification of equity investment are disclosed in Note 34 and Note 35 respectively.

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30 June 2023

12. DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits with:				
Licensed banks	9,133	8,945	9,133	8,945
Other financial institutions	462	1,662	-	-
	<u>9,595</u>	<u>10,607</u>	<u>9,133</u>	<u>8,945</u>

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

	Group		Company	
	2023	2022	2023	2022
Interest rates per annum (%)				
- Licensed banks	2.60	1.75	2.60	1.75
- Other financial institutions	2.18	1.60	-	-
Maturities (days)				
- Licensed banks	3	25	3	25
- Other financial institutions	9 - 17	9 - 17	-	-

Included in deposits of the Group and of the Company are monies held in debt service reserve accounts amounting to RM9,396,000 (2022: RM9,203,000) and RM9,133,000 (2022: RM8,945,000) respectively.

13. SHARE CAPITAL

	Group and Company			
	Number of shares		Share capital	
	2023 '000	2022 '000	2023 RM'000	2022 RM'000
Issued and fully paid				
At beginning of year	389,526	383,686	257,920	246,774
Employees' share options exercised	-	5,840	-	10,767
Employees' share options forfeited	-	-	-	12
Employees' share options expired	-	-	-	367
Bonus issue on the basis of four bonus shares for every one existing ordinary share held on 5 September 2022 (Note 38 (1))	1,558,106	-	-	-
At end of year	<u>1,947,632</u>	<u>389,526</u>	<u>257,920</u>	<u>257,920</u>

Issued ordinary shares with voting rights

Total number of issued ordinary shares #
Less: Total number of ordinary shares held as treasury shares (Note 15)

Group and Company Number of shares	
2023 '000	2022 '000
1,947,632	1,947,632
(193,364)	(144,935)
<u>1,754,268</u>	<u>1,802,697</u>

The number of shares for previous financial year have been adjusted for the bonus issue on the basis of four (4) bonus shares for every one (1) ordinary share of the Company.

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.

NOTES TO THE FINANCIAL STATEMENTS

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14. RESERVES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Merger deficit (Note a)	(55,087)	(55,087)	-	-
FVTOCI reserve (Note b)	1,626	-	-	-
Consolidation reserve (Note c)	729	729	-	-
Exchange reserves	961	903	-	-
	(51,771)	(53,455)	-	-
Retained earnings (Note d)	372,308	328,612	228,902	206,172
	<u>320,537</u>	<u>275,157</u>	<u>228,902</u>	<u>206,172</u>

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 in prior years.

(b) FVTOCI reserve

The FVTOCI reserve represents the cumulative fair value changes, net of tax, if applicable, of FVTOCI financial assets until they are disposal of.

(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.

15. TREASURY SHARES

	Group and Company Ordinary shares			
	2023 No. of shares '000	2022 No. of shares # '000	2023 RM'000	2022 RM'000
At beginning of year	144,935	139,555	45,437	41,388
Shares bought back during the year	48,429	8,500	39,891	4,973
Reissued for ESS shares vested	-	(3,120)	-	(924)
At end of year	<u>193,364</u>	<u>144,935</u>	<u>85,328</u>	<u>45,437</u>

The treasury shares have been adjusted for the bonus issue on the basis of four (4) bonus shares for every one (1) ordinary share of the Company.

Pursuant to an Annual General Meeting held on 10 October 2013, the Company obtained a shareholders' 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.

NOTES TO THE FINANCIAL STATEMENTS

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15. TREASURY SHARES (CONTINUED)

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 14 December 2022.

During the financial year, the Company bought back 48,429,500 shares from the open market at an average price of about RM0.82 per share for a total cash consideration of approximately RM39,891,000 with internally generated funds. The shares bought back are held as treasury shares.

16. LONG TERM BORROWINGS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Secured				
Term loan (Note a)	66,884	91,710	66,884	91,710
Portion repayable within 12 months included under short term borrowings (Note 20)	(14,979)	-	(14,979)	-
	51,905	91,710	51,905	91,710
Hire purchase payable (Note b)	4,773	4,778	-	-
Portion repayable within 12 months included under short term borrowings (Note 20)	(1,715)	(1,557)	-	-
	3,058	3,221	-	-
	54,963	94,931	51,905	91,710

Details of the long term borrowings outstanding are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Amounts repayable:				
More than one year but not later than two years	53,407	41,250	51,905	39,866
More than two years but not later than five years	1,556	53,681	-	51,844
	54,963	94,931	51,905	91,710

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 12.

The interest rate per annum at the reporting date for the term loan was 5.55% (2022: 3.84%).

- (b) The Group's hire purchase payable bore effective interest rate of 2.70% to 5.35% (2022: 2.70% to 5.35%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

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17. DEFERRED TAX

	Group	
	2023 RM'000	2022 RM'000
At beginning of the year	(7,322)	(3,182)
Recognised in profit or loss	(718)	(4,140)
At end of the year	<u>(8,040)</u>	<u>(7,322)</u>

Presented after appropriate offsetting as follows:

	Group	
	2023 RM'000	2022 RM'000
Deferred tax assets	(8,040)	(7,322)
Deferred tax liabilities	-	-
	<u>(8,040)</u>	<u>(7,322)</u>

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

GROUP	Contract	Unabsorbed	Others	Total
	liabilities	capital		
	RM'000	allowances	RM'000	RM'000
Deferred Tax Assets				
2023				
At beginning of the year	(18,347)	(1,190)	(6,084)	(25,621)
Recognised in profit or loss	(3,396)	215	(2,764)	(5,945)
At end of the year	<u>(21,743)</u>	<u>(975)</u>	<u>(8,848)</u>	<u>(31,566)</u>
Set-off against deferred tax liabilities				23,526
				<u>(8,040)</u>
2022				
At beginning of the year	(14,111)	(1,339)	(6,034)	(21,484)
Recognised in profit or loss	(4,236)	149	(50)	(4,137)
At end of the year	<u>(18,347)</u>	<u>(1,190)</u>	<u>(6,084)</u>	<u>(25,621)</u>
Set-off against deferred tax liabilities				18,299
				<u>(7,322)</u>

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17. DEFERRED TAX (CONTINUED)

GROUP

	Property, plant and equipment	Total
	RM'000	RM'000
Deferred Tax Liabilities		
2023		
At beginning of the year	18,299	18,299
Recognised in profit or loss	5,227	5,227
At end of the year	<u>23,526</u>	<u>23,526</u>
Set-off against deferred tax assets		<u>(23,526)</u>
		<u>-</u>
2022		
At beginning of the year	18,302	18,302
Recognised in profit or loss	(3)	(3)
At end of the year	<u>18,299</u>	<u>18,299</u>
Set-off against deferred tax assets		<u>(18,299)</u>
		<u>-</u>

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

	Group	
	2023 RM'000	2022 RM'000
Unutilised tax losses	21,246	13,906
Unabsorbed capital allowances	1,623	1,412
	<u>22,869</u>	<u>15,318</u>

Deferred tax assets have not been recognised in respect of the items above as it is not probable that future taxable profits will be available against which the items above can be utilised.

The Malaysia Finance Act 2018 gazetted on 27 December 2018 imposed a time limitation to restrict the carry forward of the unutilised tax losses to a maximum period of 7 consecutive Year of Assessment ("YA"), effective YA 2019. Based on the latest Malaysia Finance Act 2021, gazetted on 31 December 2021, the time limit for the carry forward of the unutilised tax losses has been extended from 7 years to 10 years. As a result of this change, the unutilised tax losses accumulated up to the YA 2018 are allowed to be carried forward for 10 consecutive years of assessment (i.e. from YA 2019 to 2028). Any balance of the unutilised tax losses thereafter shall be disregarded.

The foreign unutilised tax losses and unabsorbed capital allowance applicable to foreign incorporated subsidiary companies are pre-determined by and subject to the tax legislation of the respective countries.

Pursuant to the relevant tax regulations, the unutilised tax losses and unabsorbed capital allowance at the end of the reporting period will expire as follows:

	Group	
	2023 RM'000	2022 RM'000
With no expiry	1,623	1,412
More than 12 months	21,246	13,906
	<u>22,869</u>	<u>15,318</u>

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18. PROVISION

	Group	
	2023 RM'000	2022 RM'000
At beginning of year	18,722	17,011
Provision for the year	2,074	2,373
Utilisation of provision	(323)	(691)
Exchange differences	191	29
At end of year	<u>20,664</u>	<u>18,722</u>
At 30 June		
Current	5,660	5,899
Non-current	15,004	12,823
	<u>20,664</u>	<u>18,722</u>

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.

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade payables	57,735	51,249	-	-
Other payables				
Sundry payables	39,495	30,062	-	-
Accruals	41,591	40,400	1,141	1,877
Refundable deposit	1,396	1,296	-	-
Amounts owing to				
- related companies	65	413	6	15
- subsidiary companies	-	-	17,383	22,344
	<u>82,547</u>	<u>72,171</u>	<u>18,530</u>	<u>24,236</u>
Other current liability				
Indirect tax payable	10,500	11,454	-	-
	<u>150,782</u>	<u>134,874</u>	<u>18,530</u>	<u>24,236</u>

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 - 120 days (2022: 30 - 120 days) term.

NOTES TO THE FINANCIAL STATEMENTS

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19. TRADE AND OTHER PAYABLES (CONTINUED)**(b) Sundry payables**

These amounts are non-interest bearing. Sundry payables are normally settled on 30 - 180 days (2022: 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, repayable on demand and interest bearing at 6.05% (2022: 5.75%) per annum.

20. SHORT TERM BORROWINGS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Secured				
Long term loan - portion repayable within 12 months (Note 16)	14,979	-	14,979	-
Short term loan	12,000	14,000	-	-
Revolving credits	151,500	95,000	-	-
Bankers acceptance	5,648	-	-	-
Hire purchase payable - portion repayable within 12 months (Note 16)	1,715	1,557	-	-
	<u>185,842</u>	<u>110,557</u>	<u>14,979</u>	<u>-</u>

The short term loan, revolving credits and bankers acceptance of the Group 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 12.

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

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Secured				
Short term loan	6.35	5.75	-	-
Revolving credits	3.96 - 5.06	3.41 - 3.93	-	-
Bankers acceptance	1.00 - 4.66	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

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21. 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 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	
	2023 RM'000	2022 RM'000
At beginning of year	76,477	59,295
Deferred during the year	532,466	466,467
Recognised during the year	(518,633)	(449,285)
At end of year	<u>90,310</u>	<u>76,477</u>

22. REVENUE

Revenue consists of the following:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contract with customers:				
Sale of food, beverages and merchandises	1,115,966	997,762	-	-
Other revenue:				
Dividend income from subsidiary company	-	-	112,470	117,990
	<u>1,115,966</u>	<u>997,762</u>	<u>112,470</u>	<u>117,990</u>
Timing of revenue recognition				
- at a point in time	<u>1,115,966</u>	<u>997,762</u>		

NOTES TO THE FINANCIAL STATEMENTS

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23. FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expenses on				
- Bank borrowings	8,853	8,453	3,729	4,317
- Charge out of deferred transaction costs	174	213	174	213
- Amount due to a subsidiary company	-	-	1,043	1,232
- Hire purchase	439	511	-	-
- Lease liabilities (Note 4(b))	19,093	17,098	-	-
- Loan related expenses	270	293	-	-
	<u>28,829</u>	<u>26,568</u>	<u>4,946</u>	<u>5,762</u>

24. PROFIT BEFORE TAX

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax is arrived at after charging:				
Auditors' remuneration				
- statutory audit fee				
- Ernst & Young PLT	418	368	136	120
- Others	63	54	-	-
- underprovision in prior years	29	75	13	62
- fees for non-audit services	112	301	15	222
Depreciation of:				
- property, plant and equipment	46,774	44,480	1	2
- right-of-use assets	80,694	76,474	-	-
Amortisation of intangible assets	2,396	2,374	-	-
Royalty expense payable to				
- related company	208	274	-	-
- third party	61,137	52,648	-	-
Staff costs (Note a)	216,697	176,973	808	486
Expenses relating to leases:				
- short-term leases	3,589	4,255	-	-
- leases of low-value assets	98	111	-	-
- relating to variable leases payments not included in the measurement of lease liabilities	44,348	19,849	-	-
Loss on foreign exchange	704	852	-	-
Other expenses (Note c)	6,456	5,908	23,469	-

NOTES TO THE FINANCIAL STATEMENTS

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24. PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
and crediting:				
Gain on foreign exchange	1,168	574	-	-
Other income (Note d)	17,763	13,363	1,573	19,443

(a) Staff costs consist of the following:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Wages, salaries and allowances	166,951	129,216	629	375
Social security costs and employees insurance	3,144	2,503	8	5
Bonuses	5,428	10,760	83	54
Pension costs				
- defined contribution plans	21,123	16,336	88	52
Share-based payments (Note b)	-	51	-	-
Other staff related expenses	20,051	18,107	-	-
	<u>216,697</u>	<u>176,973</u>	<u>808</u>	<u>486</u>

Staff costs exclude remuneration of directors.

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Share-based payments for:				
- employees of the Group	-	51	-	-
- directors of the Company	-	36	-	36
	<u>-</u>	<u>87</u>	<u>-</u>	<u>36</u>

NOTES TO THE FINANCIAL STATEMENTS

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24. PROFIT BEFORE TAX (CONTINUED)

(c) Other expenses

Included in other expenses are the following:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Impairment in value of:				
- investment in subsidiaries	-	-	23,469	-
- goodwill	1,117	-	-	-
- property, plant and equipment	1,617	795	-	-
- right-of-use-assets	2,261	912	-	-
Loss on sale of property, plant and equipment	4	91	-	-
Fair value loss of FVTPL equity investment quoted in Malaysia	-	372	-	-
Intangible assets written off	155	-	-	-
Property, plant and equipment written off	1,302	3,738	-	-

(d) Other income

Included in other income are the following:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income				
- subsidiary company	-	-	1,354	276
- financial institutions	584	312	219	153
Gross dividends from other investment				
- quoted in Malaysia	641	-	-	-
Royalty fee income from a related company	259	166	-	-
Gain on sale of property, plant and equipment	130	52	-	-
Reversal of impairment in value of:				
- investment in subsidiary company	-	-	-	19,014
- property, plant and equipment	406	-	-	-
- right-of-use-assets	533	-	-	-
Government grant subsidy	440	3,980	-	-
Gain on lease modification	1,060	2,142	-	-
Fair value gain on FVTPL equity instruments quoted in Malaysia	1,926	-	-	-
Investment income	174	-	-	-
Service charge income	4,952	4,151	-	-

NOTES TO THE FINANCIAL STATEMENTS

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25. DIRECTORS' REMUNERATION

The aggregate remuneration paid and payable by the Group and by the Company to the directors of the Company are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company				
Executive				
- Fees	46	25	-	-
- Salaries and other emoluments	2,020	1,643	183	172
- Bonus	416	487	40	36
- Benefit-in-kind	22	23	-	-
	<u>2,504</u>	<u>2,178</u>	<u>223</u>	<u>208</u>
Non-executive				
- Fees	184	180	184	180
- Bonus	-	50	-	50
- Other emoluments	371	385	371	385
	<u>555</u>	<u>615</u>	<u>555</u>	<u>615</u>
Total directors' remuneration	<u>3,059</u>	<u>2,793</u>	<u>778</u>	<u>823</u>

26. INCOME TAX EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current income tax				
- Malaysian tax	48,904	69,849	372	88
- Foreign tax	493	416	-	-
	<u>49,397</u>	<u>70,265</u>	<u>372</u>	<u>88</u>
(Over)/under provision in prior year				
- Malaysian tax	(957)	(820)	-	(1)
- Foreign tax	(90)	22	-	-
	<u>(1,047)</u>	<u>(798)</u>	<u>-</u>	<u>(1)</u>
	<u>48,350</u>	<u>69,467</u>	<u>372</u>	<u>87</u>
Deferred tax				
- Relating to origination and reversal of temporary differences	(942)	(4,630)	-	-
- Under provision in prior year	224	490	-	-
	<u>(718)</u>	<u>(4,140)</u>	<u>-</u>	<u>-</u>
Income tax expense	<u>47,632</u>	<u>65,327</u>	<u>372</u>	<u>87</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

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26. INCOME TAX EXPENSE (CONTINUED)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax	148,734	187,992	82,810	128,514
Applicable tax rate (%)	24	24	24	24
Taxation at applicable tax rate	35,696	45,118	19,874	30,843
Income not subject to tax	(339)	(263)	(26,945)	(32,881)
Expenses not deductible under tax legislation	11,213	8,816	7,443	2,126
Effect of "Prosperity tax" rate at 33%	-	12,453	-	-
Effect of share of results of joint venture	84	-	-	-
Effect of different tax rate in other countries	(64)	188	-	-
Effect of withholding tax	53	20	-	-
Deferred tax assets not recognised during the financial year	1,812	-	-	-
Utilisation of previously unrecognised deferred tax assets	-	(697)	-	-
Over provision of income tax in prior years	(1,047)	(798)	-	(1)
Under provision of deferred tax in prior years	224	490	-	-
Income tax expense	47,632	65,327	372	87

27. EARNINGS PER SHARE

(a) Basic

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

	Group	
	2023 RM'000	2022 RM'000
Profit attributable to equity holders	103,404	124,776
Weighted average number of ordinary shares with voting rights in issue ('000) *	1,757,846	1,799,423
Basic earnings per share (sen)	5.88	6.93

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27. EARNINGS PER SHARE (CONTINUED)**(b) Diluted**

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

	Group	
	2023	2022
	RM'000	RM'000
Profit attributable to equity holders	103,404	124,776
Weighted average number of ordinary shares with voting rights in issue ('000) *	1,757,846	1,799,423
Diluted earnings per share (sen)	5.88	6.93

* For the purpose of calculating earnings per share, the weighted average number of shares with voting rights outstanding has been adjusted for the bonus issue on the basis of four (4) bonus shares for every one (1) existing ordinary share in the Company (refer to Note 38 (1)).

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28. DIVIDENDS

	Company			
	2023 Dividend per share Sen	2023 Dividend RM'000	2022 Dividend per share Sen	2022 Dividend RM'000
Recognised during the year:				
<u>in respect of preceding financial year</u>				
- 4th interim dividend of 0.40 sen single-tier dividend (30.6.2022: 4th interim dividend of 0.20 sen single-tier dividend)	0.40	7,081	0.20	3,578
<u>in respect of current financial year</u>				
- 1st interim dividend of 0.50 sen single-tier dividend (30.6.2022: 1st interim dividend of 0.20 sen single-tier dividend)	0.50	8,771	0.20	3,622
- 2nd interim dividend of 2.0 sen single-tier dividend (30.6.2022: 2nd interim dividend of 0.20 sen single-tier dividend)	2.00	35,085	0.20	3,605
- 3rd interim dividend of 0.50 sen single-tier dividend (30.6.2022: 3rd interim dividend of 0.30 sen single-tier dividend)	0.50	8,771	0.30	5,408
	<u>3.40</u>	<u>59,708</u>	<u>0.90</u>	<u>16,213</u>

Note:

Dividend rates for previous year have been adjusted for the bonus issue on the basis of four (4) bonus shares for every one (1) ordinary share of the company as disclosed in Note 38 (1).

NOTES TO THE FINANCIAL STATEMENTS

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29. 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.

Results	2023 RM'000	2022 RM'000
Malaysia	180,443	219,448
Other South-East Asian countries	(2,790)	(2,210)
	<u>177,653</u>	<u>217,238</u>
Unallocated corporate expenses	(1,948)	(2,990)
	<u>175,705</u>	<u>214,248</u>
Investment related income		
- Interest income	584	312
- Fair value gain on FVTPL equity instruments quoted in Malaysia	1,926	-
- Gross dividend from other investment quoted in Malaysia	641	-
- Investment income	174	-
	<u>179,030</u>	<u>214,560</u>
Investment related expenses		
- Impairment in value of goodwill	(1,117)	-
	<u>177,913</u>	<u>214,560</u>
Finance costs	(28,829)	(26,568)
Share of results of joint venture	(350)	-
Profit before tax	<u>148,734</u>	<u>187,992</u>
Income tax expense	(47,632)	(65,327)
Profit for the year	<u>101,102</u>	<u>122,665</u>

	Revenue RM'000	Capital expenditure RM'000	Assets RM'000	Liabilities RM'000
2023				
Malaysia	1,085,898	202,731	926,779	669,508
Other South-East Asian countries	30,068	10,201	44,031	48,161
	<u>1,115,966</u>	<u>212,932</u>	<u>970,810</u>	<u>717,669</u>
Unallocated items	-	-	475,333	240,805
Total	<u>1,115,966</u>	<u>212,932</u>	<u>1,446,143</u>	<u>958,474</u>
2022				
Malaysia	968,297	197,961	836,681	613,710
Other South-East Asian countries	29,465	5,401	34,608	34,464
	<u>997,762</u>	<u>203,362</u>	<u>871,289</u>	<u>648,174</u>
Unallocated items	-	-	467,045	205,488
Total	<u>997,762</u>	<u>203,362</u>	<u>1,338,334</u>	<u>853,662</u>

NOTES TO THE FINANCIAL STATEMENTS

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30. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the transactions detailed in Note 24, the Group and the Company had the following transactions with related parties during the financial year:

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Management fees payable to BCorp		300	300	300	300
Purchase of cleaning material from Kimia Suchi Marketing Sdn Bhd	a	160	153	-	-
Promotion and advertising expenses charged by Sun Media Corporation Sdn Bhd	b	123	162	119	119
Loyalty reward charges and reload card payable to BLoyalty Sdn Bhd	a	199	82	-	-
Rental of premises payable to Berjaya Times Square Sdn Bhd*	e	656	1,046	-	-
ANSA Hotel KL Sdn Bhd	d	1,087	1,011	-	-
Security guard services payable to Berjaya Guard Services Sdn Bhd	d	456	393	-	-
Sales of products to 7-Eleven Malaysia Sdn Bhd	c	(2,465)	(7,082)	-	-
Procurement of advertising services charged by 7-Eleven Malaysia Sdn Bhd	c	920	1,789	-	-
Provision of leasing and hire purchase facilities by Prime Credit Leasing Berhad	a	1,469	-	-	-
Purchase of property units from Berjaya Times Square Sdn Bhd	e	-	15,675	-	-

Notes:

- (a) Subsidiary company of BCorp. BCorp is a major shareholder of the Company while Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT") is a major shareholder of BCorp. Chryseis Tan Sheik Ling ("CTSL"), a Director of the Company, is also an Executive Director and a shareholder of BCorp. She is also a daughter of TSVT.
- (b) Sun Media Corporation Sdn Bhd is a 100%-owned subsidiary of Berjaya Media Berhad ("BMedia"). TSVT is a major shareholder of BMedia.
- (c) 7-Eleven Malaysia Sdn Bhd is a wholly-owned subsidiary of 7-Eleven Malaysia Holdings Berhad. BCorp and TSVT are major shareholders of 7-Eleven Malaysia Holdings Berhad.
- (d) Subsidiary company of BLand. BCorp is a major shareholder of BLand. CTSL is an Executive Director and a shareholder of BLand.
- (e) Berjaya Times Square Sdn Bhd is a wholly-owned subsidiary of Berjaya Assets Berhad ("BAssets"). BCorp and TSVT are major shareholders of BAssets. CTSL is an Executive Director of BAssets.

* 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.

NOTES TO THE FINANCIAL STATEMENTS

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31. KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation of the key management personnel which comprises persons (including the Directors of the Company) having authority and responsibility for planning, directing and controlling the activities of the Group and the Company directly or indirectly is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Short-term benefits	2,767	2,501	718	759
Post-employment benefits	292	292	60	64
Share-based payments	-	36	-	36
	<u>3,059</u>	<u>2,829</u>	<u>778</u>	<u>859</u>

32. COMMITMENTS

	Group	
	2023 RM'000	2022 RM'000
Capital expenditure		
Property, plant and equipment		
- approved and contracted for	18,382	21,364
- others	5,750	5,175
	<u>24,132</u>	<u>26,539</u>
Share subscription in		
- joint venture	10,000	15,000
	<u>34,132</u>	<u>41,539</u>

33. 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.

34. FAIR VALUE MEASUREMENT

The Group and the Company measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

34. FAIR VALUE MEASUREMENT (CONTINUED)

34.1 Financial Instruments that are measured at fair value

The table below analyses the financial instruments measured at fair value at the reporting date, according to the level in the fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2023				
Financial assets				
Other investment	23,621	-	-	23,621
Short term investment	2,173	-	-	2,173
2022				
Financial assets				
Short term investment	25,758	-	-	25,758

There is no transfer of valuation technique between Level 1, 2 and 3 during the financial year.

35. FINANCIAL INSTRUMENTS

35.1 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Financial assets				
<u>FVTOCI</u>				
Other investment	23,621	-	-	-
<u>FVTPL</u>				
Short term investment	2,173	25,758	-	-
<u>Amortised costs</u>				
Trade and other receivables	43,872	65,000	56,710	64,341
Deposits with financial institutions	9,595	10,607	9,133	8,945
Cash and bank balances	40,481	32,337	950	673
	93,948	107,944	66,793	73,959
Total financial assets	119,742	133,702	66,793	73,959
Financial liabilities				
<u>Amortised costs</u>				
Trade and other payables	140,282	123,420	18,530	24,236
Lease liabilities	455,283	403,672	-	-
Long term borrowings	54,963	94,931	51,905	91,710
Short term borrowings	185,842	110,557	14,979	-
Total financial liabilities	836,370	732,580	85,414	115,946

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.2 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:

<u>Current</u>	<u>Note</u>
Trade and other receivables	10
Long term borrowings	16
Trade and other payables	19
Short term borrowings	20

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.

36. 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.

36.1 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

36.1 Market risk (continued)

(1) Interest rate risk (continued)

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Fixed rate instruments</u>				
Financial assets	9,595	10,607	65,635	73,281
Financial liabilities	4,773	4,778	17,383	22,344
<u>Floating rate instruments</u>				
Financial liabilities	236,032	200,710	66,884	91,710

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 RM590,000 (2022: RM502,000) and by RM167,000 (2022: RM229,000), respectively. This analysis assumes that all the other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

36.1 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 denominated in USD are as follows:

**Functional Currency
of the Group companies**

	2023 RM'000	2022 RM'000
Trade and other payables	21,567	3,374

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:

	2023 RM'000	2022 RM'000
<u>(Decrease)/increase</u>		
USD/RM - strengthened 10%	(1,639)	(256)
- weakened 10%	1,639	256

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**36.2 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	
	2023 RM'000	2022 RM'000
Current	7,009	5,708
1 to 30 days	590	1,240
31 to 60 days	291	1,148
61 to 90 days	198	21
More than 90 days	357	59
	<u>1,436</u>	<u>2,468</u>
	<u>8,445</u>	<u>8,176</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**36.2 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 year.

Amounts owing by subsidiary companies

The Company applied the 3-stage general approach to measuring expected credit losses for amounts owing by subsidiary companies. 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' loans and advances 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.

36.3 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 2023, the net current liabilities of the Group were RM335,549,000 (2022: RM229,909,000). Despite the net current liabilities position of the Group, the directors believe the Group is 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 on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

36.3 Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

Group	On demand or within one year	One to five years	More than five years	Total
	RM'000	RM'000	RM'000	RM'000
2023				
Financial liabilities				
Trade and other payables	140,282	-	-	140,282
Lease liabilities	88,537	255,580	202,441	546,558
Borrowings	185,730	79,549	-	265,279
	<u>414,549</u>	<u>335,129</u>	<u>202,441</u>	<u>952,119</u>
2022				
Financial liabilities				
Trade and other payables	123,420	-	-	123,420
Lease liabilities	80,599	224,476	177,094	482,169
Borrowings	115,202	100,582	-	215,784
	<u>319,221</u>	<u>325,058</u>	<u>177,094</u>	<u>821,373</u>
Company				
	On demand or within one year	One to five years	Total	
	RM'000	RM'000	RM'000	
2023				
Financial liabilities				
Trade and other payables	18,530	-	18,530	
Borrowings	14,979	74,127	89,106	
	<u>33,509</u>	<u>74,127</u>	<u>107,636</u>	
2022				
Financial liabilities				
Trade and other payables	24,236	-	24,236	
Borrowings	-	96,721	96,721	
	<u>24,236</u>	<u>96,721</u>	<u>120,957</u>	

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

37. 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	
	2023	2022
	RM'000	RM'000
Long term borrowings	54,963	94,931
Short term borrowings	185,842	110,557
Total debt	<u>240,805</u>	<u>205,488</u>
Total equity	<u>487,669</u>	<u>484,672</u>
Gearing ratio	<u>49.38%</u>	<u>42.40%</u>

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

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- 1) On 13 June 2022, the Company proposed to undertake a bonus issue of 1,558,106,228 new ordinary shares ("Bonus Shares") on the basis of four (4) Bonus Shares for every one (1) existing ordinary share in BFood ("Proposed Bonus Issue") held on an entitlement date on 5 September 2022.

The Proposed Bonus Issue was approved by the Company's shareholders at Extraordinary General Meeting held on 19 August 2022.

On 6 September 2022, the Company announced that the issuance of Bonus Shares was completed following the listing of and quotation for the 1,558,106,228 Bonus shares on the Main Market of Bursa Malaysia Securities Berhad.

- 2) On 20 June 2022, the Company had entered into joint venture agreement with Paris Baguette Singapore Pte Ltd., to establish and operate bakery business in Malaysia. Subsequently on 21 July 2022, BPB was incorporated with a paid-up capital of 10 shares for RM10 that are equally held by the Company and Paris Baguette Singapore Pte Ltd.

On 23 September 2022, the Company subscribed for its 50% equity interest in BPB amounting to about RM5 million and as such, the paid-up share capital of BPB increased from RM10 to RM10.0 million accordingly.

39. SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

- 1) On 1 August 2023, BFI, a wholly-owned subsidiary of BFood entered into a joint venture cum shareholders agreement with Middle Trade Inc. in connection with the establishing and operating of business of producing, packaging, and dealing with baked goods under the Paris Baguette brand and/or establishing and launching the Paris Baguette stores selling baked goods in the Philippines. The initial investment cost of BFI for the joint venture amounting to PHP89.7 million or (approximately RM7.51 million) will be satisfied in cash.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA FOOD BERHAD

(Incorporated in Malaysia)

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 2023 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 material accounting policy information, as set out on pages 88 to 160.

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 2023, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA FOOD BERHAD

(Incorporated in Malaysia)

Report on the audit of financial statements (cont'd)

Key audit matters in respect of audit of the financial statements of the Group

1. Impairment of Goodwill relating to the Malaysia segment (refer to Note 2.2.5 and Note 8 to the financial statements)

Goodwill relating to the Malaysia segment amounting to RM423,032,000 (2022: RM423,032,000) formed 33% and 29% of non-current assets and total assets of the Group as at 30 June 2023, respectively.

Goodwill is subject to an annual impairment test. The Group estimates the recoverable amount of the 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 budgeted gross margin, revenue growth rate and discount rate.

We consider this to be an area of focus for our audit as the amount involved is significant and the impairment assessment is complex and involves significant 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 CGU;
- Obtaining the board approved cash flow forecast and budget used by management for impairment assessment;
- Evaluating the appropriateness of the methodology and approach applied, and considered whether it is commonly used in the industry;
- Evaluating the basis of preparing the cash flow forecasts by taking into consideration the assessment of management's historical budgeting accuracy;
- Challenging whether key assumptions relating to budgeted gross margin and revenue growth rate are reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of economic growth in Malaysia;
- Involving our internal valuation specialists to evaluate whether the rate used in discounting the future cash flows to its present value was appropriate; 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 8 to the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF BERJAYA FOOD BERHAD
(Incorporated in Malaysia)

Report on the audit of financial statements (cont'd)

Key audit matters in respect of audit of the financial statements of the Group (cont'd.)

2. Revenue from contracts with customers relating to the Malaysia segment

(refer to Note 2.2.19 and Note 29 to the financial statements)

Revenue from contracts with customers relating to the Malaysia segment amounting to RM1,085,898,000 (2022: RM968,297,000) formed 97% of revenue of the Group for the financial year ended 30 June 2023.

The processing and recording of revenue from sale of food and beverages and merchandise goods relies heavily on information technology systems. The information technology systems process large volumes of data which consists of individually low value transactions.

We consider this to be an area of focus for our audit as the magnitude and the high volume of transactions may give rise to a higher risk of material misstatement relating to timing and the amount of revenue recognised.

Our procedures to address this area of focus include, amongst others, the following:

- Obtaining an understanding of the relevant internal controls over the revenue recognition process;
- Involving our information technology specialists to test the operating effectiveness of the automated controls of Point of Sales system;
- Testing the data interface between the Point of Sales system and the general ledger, including the updating of approved product price changes in the system;
- Testing the relevant information technology-dependent manual controls in place to ensure the completeness and accuracy of revenue recognised;
- Obtaining reports on the service organisation's controls performed in accordance with International Standard on Assurance Engagements ('ISAE') 3402 'Assurance Reports on Controls at a Service Organisation' to understand the controls that have been designed and implemented by the service organisation;
- Performing a three-way correlation between revenue, receivables, deferred revenue and cash and bank balances using data analytics; and
- Performing cut-off procedures to determine if revenue is recorded in the correct accounting period.

We have also evaluated the adequacy of the disclosures in relation to revenue recognised which are included in Note 22 to the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA FOOD BERHAD

(Incorporated in Malaysia)

Report on the audit of financial statements (cont'd)

Key audit matters in respect of audit of the financial statements of the Company

1. Impairment of investment in subsidiary companies

(refer to Note 2.2.5 and Note 5 to the financial statements)

As at 30 June 2023, the carrying amount of the investment in subsidiary companies amounted to RM415,080,000 (2022: RM438,549,000), representing 99% and 85% of the Company's total non-current assets and total assets respectively. Included in this amount is accumulated impairment of RM43,477,000 (2022: RM20,008,000) on certain subsidiary companies.

At the reporting date, the Company reviews its investment for potential impairment of investment due to worsen performance and profitability of the subsidiary companies. For this purpose, the Company performs an assessment to determine the recoverable amounts of such investments. The Company estimates the recoverable amount of the respective CGUs based on the higher of their fair values less cost to sell and their respective VIU. 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 an appropriate rate. The cash flow forecasts, which have been approved by the Board of Directors, contain a number of significant judgements and estimates such as the grow margin, growth rate and discount rate. Based on the assessment made, the Company recorded impairment of investment of RM23,469,000 to the statement of comprehensive income during the financial year.

We consider this to be an area of focus for our audit as the amounts involved are significant and the impairment assessment is complex and involves significant judgements about future market and economic conditions.

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;
- Obtaining the board approved cash flow forecast and budget used by management for impairment assessment;
- Evaluating the appropriateness of the methodology and approach applied, and considered whether it is commonly used in the industry;
- Evaluating the basis of preparing the cash flow forecasts by taking into consideration the assessment of management's historical budgeting accuracy;
- Challenging whether key assumptions relating to budgeted gross margin and revenue growth rate were reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of the economic growth;
- Involving our internal valuation specialists to evaluate whether the rate used in discounting the future cash flows to its present value was appropriate; 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 the impairment assessment which are included in Note 5 of the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF BERJAYA FOOD BERHAD
(Incorporated in Malaysia)

Report on the audit of financial statements (cont'd)

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 Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditor's 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 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA FOOD BERHAD (Incorporated in Malaysia)

Report on the audit of financial statements (cont'd)

Auditors' responsibilities for the audit of the financial statements (cont'd)

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF BERJAYA FOOD BERHAD
(Incorporated in Malaysia)

Report on the audit of financial statements (cont'd)

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 Accountant

Kuala Lumpur, Malaysia
Date: 11 October 2023

Chong Tse Heng
No. 03179/05/2025 J
Chartered Accountant

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

For The Year Ended 30 June 2023

Berjaya Food Berhad (“BFood”) Group with the following Related Parties	Nature of transactions undertaken by BFood and/or its unlisted subsidiaries	Amount transacted from 1.7.2022-30.6.2023 (RM’000)
Berjaya Corporation Berhad (“BCorp”) and its subsidiary companies:-		
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
BCorp and its subsidiaries	Income receivable by Berjaya Food Trading Sdn Bhd (“BFT”) from sale of bottled beverages and consumable products.	14
BLoyalty Sdn Bhd	Loyalty reward charges payable by BFood Group.	195
Berjaya Registration Services Sdn Bhd	Receipt of share registration services and other related services by BFood.	81
Kimia Suchi Marketing Sdn Bhd	Purchase of cleaning chemical products by Berjaya Roasters (M) Sdn Bhd (“BRoasters”).	160
Berjaya Roasters Pte Ltd	Royalty fee payable by BRoasters in respect of ongoing training and support services.	226
Securexpress Services Sdn Bhd	Provision of transportation services to BFood Group.	16
E.V.A. Management Sdn Bhd	Receipt of human resource management services by BFood Group.	133
RC Residence Sdn Bhd	Rental payable by Berjaya Starbucks Coffee Company Sdn Bhd (“BStarbucks”) at RM19,098 per month or 15% of monthly gross 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.	230
Prime Credit Leasing Bhd	Receipt of leasing and hire purchase facilities by BRoasters.	1,469
Total		2,824
Berjaya Land Berhad (“BLand”) and its subsidiary companies:-		
Berjaya Guard Services Sdn Bhd	Receipt of security guard services by BStarbucks.	456
ANSA Hotel KL Sdn Bhd	Rental payable by BStarbucks at:-	
	1) RM89,637 per month (from 14 December 2022 to 30 June 2023) or RM98,601 per month (1 July 2023 to the date of next AGM) 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.	1,076
	2) RM982 per month for renting of storage at Lot B-05, Basement, ANSA Hotel KL, Bukit Bintang, 55100 Kuala Lumpur. Tenure of the rental agreement is for a period of 2 years and renewable thereafter.	12

RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE
For The Year Ended 30 June 2023

Berjaya Food Berhad ("BFood") Group with the following Related Parties	Nature of transactions undertaken by BFood and/or its unlisted subsidiaries	Amount transacted from 1.7.2022- 30.6.2023 (RM'000)
Berjaya Land Berhad ("BLand") and its subsidiary companies:- (continued)		
Cempaka Properties Sdn Bhd	Rental payable at RM8,050 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.	97
	Rental payable by BStarbucks at:-	
	1) RM12,397 per month or based on 10% of monthly gross sales generated, whichever is higher, for renting of shoplot and RM1,650 per month for renting of 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.	348
	2) RM300 per month for renting of storage space at Lot S2.B, 2 nd Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	4
Nural Enterprise Sdn Bhd	Rental payable by BStarbucks at RM6,500 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 three years and renewable thereafter.	78
BLand and its subsidiaries	Income receivable by BFT from sale of bottled beverages and consumable products.	125
Total		2,196

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

For The Year Ended 30 June 2023

Berjaya Food Berhad ("BFood") Group with the following Related Parties	Nature of transactions undertaken by BFood and/or its unlisted subsidiaries	Amount transacted from 1.7.2022- 30.6.2023 (RM'000)
Berjaya Assets Berhad ("BAssets") and its subsidiary companies:-		
BTS Car Park Sdn Bhd	Parking charges payable by BFood Group.	138
Berjaya Times Square Sdn Bhd	Rental payable by BRoasters at:- 1) RM6,863 month (from 14 December 2022 to 26 August 2023) or RM8,235 (from 27 August 2023 to the date of next AGM) or based on 15% of monthly gross sales generated, whichever is higher, for renting of shoplot at Lot 03-85, 3 rd Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years.	230
	2) RM430 per month for renting of walkway area adjacent to Lot 03-85A, 3 rd Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years.	5
	3) RM18,941 per month for renting of office at Lots 09-07 to 09-13, 9 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	227
	Rental payable by BStarbucks at:-	
	1) RM6,454 (from 14 December 2022 to 31 January 2023) or RM12,908 (from 1 February 2023 to the date of next AGM) for renting of walkway area adjacent to Lot No. G-09C, G-09D, G-09E and G-09G, Ground Floor, Berjaya Times Square, No.1, Jalan Imbi, 55100 Kuala Lumpur. Tenure of the rental is for a period of 3 years and renewable thereafter.	110
	2) RM2,268 per month for renting of store room at Lots 10-05, with complimentary basis for Lot 10-04, 10-06, 10-07, 10-10E Level 10, Berjaya Times Square, No.1, Jalan Imbi, 55100, Kuala Lumpur. Tenure of the rental is for a period of 3 years and renewable thereafter.	27
	3) RM1,717 per month for renting of store room at Lot 10-01G, 10 th Floor, Berjaya Times Square, No.1, Jalan Imbi, 55100 Kuala Lumpur. Tenure of the rental is for a period of 3 years.	14

RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE
For The Year Ended 30 June 2023

Berjaya Food Berhad ("BFood") Group with the following Related Parties	Nature of transactions undertaken by BFood and/or its unlisted subsidiaries	Amount transacted from 1.7.2022- 30.6.2023 (RM'000)
Berjaya Assets Berhad ("BAssets") and its subsidiary companies:- (continued)		
Berjaya Times Square Sdn Bhd	Rental payable by BFT at RM2,307 per month for renting of office at Lot 09-06, Level 9, 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.	18
	Rental payable by Berjaya Kelava Sdn Bhd at RM3,600 per month or based on 8% of monthly gross sales generated, whichever is higher, for renting of shoplot at Lot LG-49A-2, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, 55100 KL. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	24
Berjaya Waterfront Sdn Bhd	Rental payable at RM5,613 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, Jalan Ibrahim Sultan, Stulang Laut, 80300 Johor Bahru. Rental is payable on a monthly basis based on mutually agreed month-to-month tenancy by way of letter.	67
Total		860
7-Eleven Malaysia Holdings Berhad and its subsidiary company:-		
7-Eleven Malaysia Sdn Bhd	Income receivable by BFT for sale of bottled beverage and consumable products.	2,464
	Procurement of advertising services by BFT.	920
Total		3,384
Other related parties		
Sun Media Corporation Sdn Bhd	Procurement of advertising and publishing services by BFood Group.	121
Qinetics MSP Sdn Bhd (a)	Purchase of hardware, software and network equipment, maintenance and management services by BFood Group.	14
Total		135
Grand total		9,399

Note:

- a. Qinetics MSP Sdn Bhd is a 100%-owned subsidiary of Qinetics Solutions Sdn Bhd which in turn is a 73%-owned subsidiary of MOL.com Sdn Bhd. TSVT is a deemed major shareholder of Qinetics MSP Sdn Bhd by virtue of his 81.17% direct interest in MOL.com Sdn Bhd.

OTHER INFORMATION

Material Contracts

Other than as disclosed in Notes 10, 19, 22, 24, 30 and 32 to the financial statements for the financial year ended 30 June 2023, 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 2023 amounted to RM112,000 (2022: RM301,000).

MATERIAL PROPERTIES OF THE GROUP

As At 30 June 2023

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.	20 years	02/09/2016	15,811
No. G-09B, Ground Floor, Berjaya Times Square, No.1, Jalan Imbi, 55100 Kuala Lumpur	Freehold	77 sq.m.	20 years	31/07/2018	11,695
Lot 10-01E, 10-01F and balance lot Level 10, Berjaya Times Square, No.1, Jalan Imbi, 55100 Kuala Lumpur	Freehold	7,732 sq.ft.	20 years	22/12/2021	4,895
Lot 10-02, 10-02A, 10-02B & 10-02C and balance lot Level 10, Berjaya Times Square, No.1, Jalan Imbi, 55100 Kuala Lumpur	Freehold	16,383 sq.ft.	20 years	22/12/2021	10,943

STATEMENT OF DIRECTORS' SHAREHOLDINGS

As At 2 October 2023

The Company	Number of ordinary shares			
	Direct Interest	%	Deemed Interest	%
Dato' Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin	580,000	0.03	-	-
Dato' Sydney Lawrance Quays	4,240,000	0.24	50,000 [#]	0.00
Tan Thiam Chai	2,023,500	0.12	-	-
Dato' (Dr) Mustapha Bin Abd Hamid	805,000	0.05	-	-

Subsidiary companies: Jollibean Foods Pte Ltd	Number of ordinary shares			
	Direct Interest	%	Deemed Interest	%
Dato' Sydney Lawrance Quays	50,000	3.42	-	-

Berjaya Kelava Sdn Bhd	Number of ordinary shares			
	Direct Interest	%	Deemed Interest	%
Dato' Sydney Lawrance Quays	15,720	4.00	-	-

Ultimate holding company: Berjaya Corporation Berhad	Number of ordinary shares			
	Direct Interest	%	Deemed Interest	%
Dato' Sydney Lawrance Quays	26	0.00	-	-
Tan Thiam Chai	152,671	0.00	128,979 [#]	0.00
Chryseis Tan Sheik Ling	486,026	0.01	80,000,000 [#]	1.43

	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 2016/2026			
	Direct Interest	%	Deemed Interest	%
Tan Thiam Chai	1,000	0.00	-	-

Related companies: Berjaya Land Berhad	Number of ordinary shares			
	Direct Interest	%	Deemed Interest	%
Tan Thiam Chai	40,000	0.00	-	-
Chryseis Tan Sheik Ling	5,000,000	0.10	-	-

STATEMENT OF DIRECTORS' SHAREHOLDINGS

As At 2 October 2023

Related companies: Sports Toto Berhad	Number of ordinary shares			
	Direct Interest	%	Deemed Interest	%
Tan Thiam Chai	175,456	0.01	135,615 [#]	0.01

Berjaya Burger Sdn Bhd	Number of ordinary shares			
	Direct Interest	%	Deemed Interest	%
Dato' 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 2 October 2023.

SUBSTANTIAL SHAREHOLDERS

As At 2 October 2023

Name	Number of ordinary shares			
	Direct Interest	%	Deemed Interest	%
Berjaya Corporation Berhad	29,500,000	1.68	970,274,200 ^(a)	55.31
Berjaya Group Berhad	705,850,100	40.24	264,424,100 ^(b)	15.07
Juara Sejati Sdn Bhd	139,400,000	7.95	48,870,600 ^(c)	2.79

- (a) Deemed interested by virtue of its 100% interest in Berjaya Group Berhad.
- (b) Deemed interested by virtue of its 100% interest in Country Farms Sdn Bhd, Berjaya EnviroParks Sdn Bhd, Juara Sejati Sdn Bhd and Teras Mewah Sdn Bhd.
- (c) Deemed interested by virtue of its interests in Berjaya Land Berhad, REDtone Digital Berhad, Inter-Pacific Capital Sdn Bhd and Sports Toto Berhad (the holding company of Magna Mahsuri Sdn Bhd).

STATISTICS ON SHARES

As At 2 October 2023

ANALYSIS OF SHAREHOLDINGS

Total Number of Issued Shares : 1,754,268,535 (excluding 193,364,250 Treasury Shares)
 Class of Shares : Ordinary Shares
 Voting Rights : One (1) vote per ordinary share

Size of Shareholdings	No. of Shareholders	%	No. of Ordinary Shares	%
less than 100	434	7.32	5,789	0.00
100 - 1,000	1,189	20.04	634,435	0.04
1,001 - 10,000	2,560	43.15	13,613,710	0.78
10,001 - 100,000	1,367	23.04	45,308,025	2.58
100,001 - 87,713,426	381	6.42	1,466,406,576	83.59
87,713,427* and above	2	0.03	228,300,000	13.01
Total	5,933	100.00	1,754,268,535	100.00

* 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 SJ Sec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Al Rajhi Bank For Berjaya Group Berhad	123,000,000	7.01
2 RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Juara Sejati Sdn Bhd	105,300,000	6.00
3 CIMB Group Nominees (Tempatan) Sdn Bhd Pembangunan Sumber Manusia Berhad	86,040,000	4.90
4 HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad	75,500,000	4.30
5 CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad (BCB CBM-C2-SBLC)	66,852,500	3.81
6 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad	63,000,000	3.59
7 RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad	60,000,000	3.42
8 Citigroup Nominees (Asing) Sdn Bhd Exempt An For CitiBank New York (Norges Bank 22)	57,849,900	3.30
9 Pertubuhan Keselamatan Sosial	48,000,000	2.74
10 CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad (BCB CBM-C2-TL3)	46,000,000	2.62
11 Teras Mewah Sdn Bhd	43,000,000	2.45
12 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad	35,950,000	2.05

STATISTICS ON SHARES

As At 2 October 2023

Name of Shareholders	No. of Ordinary Shares Held	%
13 Amanahraya Trustees Berhad Public Smallcap Fund	35,884,600	2.05
14 Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Berjaya Group Berhad	35,000,000	2.00
15 Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad	31,250,000	1.78
16 RHB Nominees (Tempatan) Sdn Bhd Bank Of China (Malaysia) Berhad Pledged Securities Account For Berjaya Group Berhad	30,000,000	1.71
17 Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Berjaya Corporation Berhad	29,500,000	1.68
18 Ifast Nominees (Tempatan) Sdn Bhd Global Success Network Sdn Bhd	28,000,000	1.60
19 MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad (MGN - TMS0004M)	27,000,000	1.54
20 CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad (M4143B)	24,700,000	1.41
21 REDtone Digital Berhad	24,457,000	1.39
22 Lim Boon Liat	23,000,000	1.31
23 DYMM Sultan Ibrahim Johor	22,500,000	1.28
24 MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teras Mewah Sdn Bhd (MGN - TMS0004M)	22,500,000	1.28
25 Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Berjaya Group Berhad	21,875,000	1.25
26 CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Juara Sejati Sdn Bhd (MY4143)	21,650,000	1.23
27 Amanahraya Trustees Berhad Public Strategic Smallcap Fund	20,900,000	1.19
28 Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Berjaya Group Berhad (BX1280)	18,900,000	1.08
29 Cartaban Nominees (Tempatan) Sdn Bhd PAMB For Prulink Equity Fund	18,894,100	1.08
30 Convenience Shopping (Sabah) Sdn Bhd	15,000,000	0.86
	1,261,503,100	71.91

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourteenth Annual General Meeting (“14th AGM”) of Berjaya Food Berhad will be conducted on a virtual basis through live streaming from the broadcast venue at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1, Jalan Imbi, 55100 Kuala Lumpur (“Broadcast Venue”) on Wednesday, 13 December 2023 at 10.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

- | | | |
|----|---|--|
| 1. | To receive the audited financial statements for the financial year ended 30 June 2023 and the Directors’ and Auditors’ Reports thereon. | (Please refer to
Note 1 of the
Explanatory Notes) |
| 2. | To approve the payment of Directors’ fees amounting to RM183,781.00 to the Non-Executive Directors of the Company for the financial year ended 30 June 2023. | Resolution 1 |
| 3. | To approve the payment of Directors’ Benefits (excluding Directors’ fees) to the Non-Executive Directors of the Company up to an amount of RM610,000.00 for the period from 14 December 2023 until the next Annual General Meeting of the Company to be held in 2024. | Resolution 2 |
| 4. | To re-elect the following Directors who retire pursuant to Clause 117 of the Company’s Constitution:-
(a) Dato’ Sydney Lawrance Quays
(b) Dato’ (Dr) Mustapha Bin Abd Hamid | Resolution 3
Resolution 4 |
| 5. | To re-elect the following Directors who retire pursuant to Clause 107 of the Company’s Constitution:-
(a) Datin Chee Yoke Kuan
(b) Wan Nor Aida Binti Wan Azmi | Resolution 5
Resolution 6 |
| 6. | To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 7 |

As Special Business

7. 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.

NOTICE OF ANNUAL GENERAL MEETING

AND THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 60 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the Company to be offered new shares ranking pari passu in all respects with the existing ordinary shares arising from the issuance and allotment of the shares pursuant to Sections 75 and 76 of the Companies Act 2016.”

Resolution 8

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

“THAT subject to the provisions of the 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 2023 (“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 9

NOTICE OF ANNUAL GENERAL MEETING

(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

NOTICE OF ANNUAL GENERAL MEETING

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

Resolution 10

By Order of the Board

THAM LAI HENG MICHELLE

(MAICSA 7013702)

(SSM Practising Certificate No. 202008001622)

Secretary

Kuala Lumpur

26 October 2023

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 quantum of the Directors' fees for each of the Non-Executive Directors for the financial year ended 30 June 2023 is the same as the previous financial year ended 30 June 2022.

The Directors' fees for Datuk Zainun Aishah Binti Ahmad was prorated from 1 July 2022 until 31 May 2023 consequent upon her resignation as Independent Director of the Company on 31 May 2023 whilst the Director's fees for the two newly appointed Independent Non-Executive Directors of the Company namely, Datin Chee Yoke Kuan and Wan Nor Aida Binti Wan Azmi were prorated from the date of their appointment on 31 May 2023 and 8 June 2023 respectively up to 30 June 2023.

3. Directors' Benefits (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' Benefits (excluding Directors' fees) payable to the Non-Executive Directors of the Company.

Resolution 2 is to seek shareholders' approval at the 14th AGM for the payment of Directors' Benefits (excluding Directors' fees) payable to the Non-Executive Directors of the Company for the period from 14 December 2023 until the next AGM of the Company to be held in 2024.

The current Directors' Benefits (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 benefits 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' Benefits (excluding Directors' fees) payable during the above period exceeded the estimated amount sought at the 14th AGM, a shareholders' approval will be sought at the next AGM for the shortfall.

NOTICE OF ANNUAL GENERAL MEETING

4. Re-election of Directors

Pursuant to Clause 117 of the Company's Constitution, one third (1/3) of the Directors shall retire from office at least once in every three (3) years at each AGM of the Company and the retiring Directors can offer themselves for re-election. Clause 107 of the Company's Constitution also provides that a Director who is appointed during the year shall retire and subject to re-election at the next AGM to be held following his/her appointment.

Resolution 3 to Resolution 6 are to seek shareholders' approval at the 14th AGM for the re-election of Directors who retire by rotation pursuant to Clause 117 and Clause 107 of the Company's Constitution.

The Board through the Nomination Committee ("NC") had undertaken an annual assessment evaluation and fit and proper assessment on the retiring Directors namely, Dato' Sydney Lawrance Quays, Dato' (Dr) Mustapha Bin Abd Hamid, Datin Chee Yoke Kuan and Wan Nor Aida Binti Wan Azmi ("Retiring Directors"), who are seeking for re-election as Directors of the Company pursuant to Clause 117 and Clause 107 of the Company's Constitution.

All the Retiring Directors have completed their respective declaration on the fitness and propriety in accordance with the Fit and Proper Policy of the Company as well as the confirmation of their independence (as the case may be).

Based on the results of the assessment conducted, the NC was satisfied with the favourable evaluation of the overall performance and contributions of the Retiring Directors and the Retiring Directors have fulfilled the fit and proper criteria in accordance to the Fit and Proper Policy of the Company. Accordingly, NC recommended to the Board for re-election of the Retiring Directors. The Board has deliberated and endorsed the NC's recommendation and supports the re-election of Retiring Directors and recommended the re-election of Retiring Directors for approval by the shareholders at the forthcoming 14th AGM. The Retiring Directors had abstained from deliberations and decisions on their re-election at the NC and Board Meetings.

The profiles of the Retiring Directors are set out in the Profile of Directors in the Company's 2023 Annual Report.

5. Re-appointment of Auditors

Resolution 7 is to seek shareholders' approval at the 14th AGM for the re-appointment of Messrs Ernst & Young PLT ("EY") as Auditors of the Company until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration.

The Audit and Risk Management Committee ("ARMC") has considered and recommended to the Board on the re-appointment of EY as Auditors of the Company based on the results of the External Auditors Evaluation for the financial year ended 30 June 2023 wherein EY has satisfactorily performed their audit and that EY had discharged their professional responsibilities in accordance with its rules on professional conduct and ethics and the By-Laws (on Professional Ethics, Conducts and Practice) issued by the Malaysian Institute of Accountants.

The Board has deliberated on the ARMC's recommendation and had recommended the re-appointment of EY as Auditors of the Company for the ensuing financial year for shareholders' approval at the forthcoming 14th AGM.

NOTICE OF ANNUAL GENERAL MEETING

6. Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

Resolution 8 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 AGM of the Company.

Resolution 8, if passed, will exclude shareholder’s pre-emptive right to be offered such new shares and/or convertible securities to be issued by the Company pursuant to the resolution.

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 Thirteenth AGM held on 14 December 2022 and which will lapse at the conclusion of the Fourteenth AGM.

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 current and/or future investment project(s), working capital and/or acquisitions or issuance of shares for such other application(s) as the Directors may deem fit and in the best interest of the Company.

7. Proposed Renewal of and new Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Resolution 9, if passed, will allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Proposed Shareholders’ Mandate”). Detailed information on the Proposed Shareholders’ Mandate is set out under Part A of the Circular to Shareholders dated 26 October 2023 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.

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

Resolution 10, if passed, will provide the mandate for the Company to buy back its own shares up to a limit of 10% of the 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 2023 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.

9. Proxy and Entitlement of Attendance

- (i) The AGM of the Company will be conducted on a virtual basis through live streaming and online remote voting via the Remote Participation and Voting (“RPV”) facilities provided by the poll administrator, SS E Solutions Sdn Bhd, which are available on Securities Services e-Portal at <https://sshb.net.my/>. **Please follow the procedures provided in the Administrative Guide for the AGM 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 to be present at the main venue of the AGM 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.

NOTICE OF ANNUAL GENERAL MEETING

- (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 via the 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 Form of Proxy shall be executed and 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 OR alternatively, the Form of Proxy may be submitted electronically via Securities Services e-Portal at <https://sshshb.net.my/> not less than forty-eight (48) hours before the time appointed for holding the meeting, **i.e. latest by Monday, 11 December 2023 at 10.00 a.m.**
- (x) Only members whose names appear in the Record of Depositors as at 6 December 2023 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.

10. Poll Voting

Pursuant to Clause 82 of the Constitution of the Company and 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 way of poll. The Company has appointed Poll Administrator and Independent Scrutineers to conduct the polling process and verify the results of the poll respectively.

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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.)

_____ of
(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 Fourteenth Annual General Meeting of the Company to be conducted on a 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, 13 December 2023 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' Benefits (excluding Directors' Fees) for the period from 14 December 2023 until the next Annual General Meeting of the Company in 2024.		
RESOLUTION 3	To re-elect Dato' Sydney Lawrance Quays as Director.		
RESOLUTION 4	To re-elect Dato' (Dr) Mustapha Bin Abd Hamid as Director.		
RESOLUTION 5	To re-elect Datin Chee Yoke Kuan as Director.		
RESOLUTION 6	To re-elect Wan Nor Aida Binti Wan Azmi as Director.		
RESOLUTION 7	To re-appoint Messrs Ernst & Young PLT as Auditors.		
RESOLUTION 8	To approve authority to issue and allot shares.		
RESOLUTION 9	To renew shareholders' mandate for Recurrent Related Party Transactions.		
RESOLUTION 10	To renew authority for the Company to purchase its own shares.		

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

NO. OF SHARES HELD

Dated this _____ day of _____ 2023.

Notes:

- The Annual General Meeting ("AGM") of the Company will be conducted on a virtual basis through live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities provided by the poll administrator, 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 in order to register, participate and vote remotely via RPV facilities.**
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- Only members whose names appear in the Record of Depositors as at 6 December 2023 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.
- Pursuant to Clause 82 of the Constitution of the Company and 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 way of poll. The Company has appointed Poll Administrator and Independent Scrutineers to conduct the polling process and verify the results of the poll respectively.

Fold this flap for sealing

Affix Stamp

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

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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

Unit 202, 2nd Floor, Mabohai Shopping Complex
Jalan Kebangsaan (Mabohai)
Bandar Seri Begawan BA1111
Brunei Darussalam
Tel: 03-2052 5888

JOLLIBEAN FOODS PTE LTD

1 Raffles Place
#02-01, One Raffles Place Mall
Singapore 048616
Tel: +65-6746 3877

BERJAYA FOOD TRADING SDN BHD

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Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel: 03-2052 5888

BERJAYA JOLLIBEAN (M) SDN BHD

Lot 10-04, Level 10 (West Wing)
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel: 03-2141 2699

SER VEGANO SDN BHD

Lot 10-04, Level 10 (West Wing)
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel: 03-2145 3259

BERJAYA KELAVA SDN BHD

86-01, Blok G
Sunway Mas Commercial Centre
Jalan PJU 1/3B, 47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-2149 1999

BERJAYA FOOD (INTERNATIONAL) SDN BHD

Lot 10-04, Level 10 (West Wing)
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel: 03-2052 5888

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

