



BERJAYA
BERJAYA FOOD BERHAD

[Registration No. 200901032946 (876057-U)]



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.



WHAT'S INSIDE

01	Corporate Profile
03	Corporate Information
04	Profile of Directors
08	Key Senior Management
10	Chairman's Statement
12	Management Discussion & Analysis
21	Group Financial Summary
22	Group Financial Highlights
23	Corporate Structure
24	Sustainability Statement
61	Corporate Governance Overview Statement
76	Statement on Risk Management and Internal Control
79	Audit and Risk Management Committee Report
84	Statement of Directors' Responsibility in Respect of the Audited Financial Statements
85	Financial Statements
178	Recurrent Related Party Transactions of a Revenue or Trading Nature
183	Other Information
184	Material Properties of The Group
185	Statement of Directors' Shareholdings
187	Substantial Shareholders
188	Statistics on Shares
190	Notice of Annual General Meeting

Form of Proxy

CORPORATE PROFILE

Berjaya Food Berhad (“BFood”) was incorporated in Malaysia on 21 October 2009. It was converted into a public limited company on 3 December 2009 and listed on the Main Market of Bursa Malaysia Securities Berhad on 8 March 2011. As part of The Listing Scheme, Berjaya Roasters (M) Sdn Bhd (“BROasters”) was acquired and became a wholly-owned subsidiary of BFood in January 2011. BROasters is engaged in the development and operation of the Kenny Rogers Roasters (“KRR”) chain of restaurants in Malaysia.



Kenny's Beef Meatballs Soup Meal.

On 26 July 2011, BFood entered into a conditional joint venture agreement with PT Mitra Samaya, Indonesia, PT Harapan Swasti Sentosa, Indonesia and PT Boga Lestari Sentosa, Indonesia (“PT Boga”) to develop and operate the KRR franchise in Java Island and Bali, Indonesia under PT Boga. On 24 November 2017, Berjaya Food (International) Sdn Bhd (“BFI”), disposed of its entire stake in PT Boga.

On 19 July 2012, BFood completed the acquisition of 11,500,000 ordinary shares of RM1.00 each, representing 50% equity interest in Berjaya Starbucks Coffee Company Sdn Bhd (“BStarbucks”) for a cash consideration of RM71.7 million. The remaining 50% equity interest was held by Starbucks Coffee International, Inc (“SCI”). On 9 August 2012, BFood completed its Rights Issue and the 115,081,760 new shares and 115,081,760 warrants arising from the Rights Issue was listed on the Main Market of Bursa Malaysia Securities Berhad on 13 August 2012. On 18 September 2014, BFood completed the acquisition of 11,500,000 ordinary shares of RM1.00 each, representing the remaining 50% equity interest in BStarbucks not owned by BFood for a total cash consideration of USD88,000,000 (equivalent to about RM279.52 million). BStarbucks is now a 100% owned subsidiary of BFood.

On 7 December 2012, BFood acquired 100% equity interest in Jollibean Foods Pte Ltd, Singapore (“Jollibean Foods”) for a cash consideration of RM19.02 million. On 30 January 2018, the Company’s wholly-owned subsidiary, BFI completed the disposal of 5% equity interest in Jollibean Foods to Dato’ Sydney Lawrance Quays for a cash consideration of SGD150,000 (equivalent to about RM445,020).



Reimagining the Third Place: a place beyond home and work where people could gather, relax and talk.

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 RM3.06 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”.

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 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”.

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 2022, there are a total of 356 stores nationwide.

CORPORATE PROFILE



Sushi Deli Salmon and unagi bento box (Jollibean Foods).

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 2022, there are a total of 68 Starbucks drive-thru concept 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 of 30 June 2022, there are 15 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 savour 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 of 30 June 2022, 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 29 outlets under two different brand concepts: Jollibean with 21 outlets and Sushi Deli with 8 outlets, as of 30 June 2022.

In March 2020, Jollibean Foods also opened its newest concept store, Joybean by Jollibean in Our Tampines Hub, which is its first halal-certified store in Singapore. Jollibean Foods also operates Joybean in Malaysia under its subsidiary, Berjaya Jolibeian (M) Sdn Bhd, with its first outlet in Sunway Pyramid. Joybean features a locally-inspired menu as well as Jollibean's core favourites such as the crispy pancake and mini rolls. As of 30 June 2022, there are a total of 2 Joybean outlets within Malaysia.

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 Cheese Cake.

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 of 30 June 2022, there are a total of 76 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 home-made 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 Lawrence Quays
Chief Executive Officer

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

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

AUDIT AND RISK MANAGEMENT COMMITTEE

Datuk Zainun Aishah Binti Ahmad
Chairman/Independent Non-Executive Director

Dato' (Dr) Mustapha Bin Abd Hamid
Independent Non-Executive Director

Tan Thiam Chai
Non-Independent Non-Executive Director

SECRETARIES

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

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

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

SHARE REGISTRAR

Berjaya Registration Services Sdn Bhd
09-27, Level 9
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel : 03-2145 0533
Fax : 03-2145 9702

AUDITORS

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

REGISTERED OFFICE

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

PRINCIPAL BANKERS

AmBank (M) Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK SHORT NAME

BJFOOD (5196)

PLACE OF INCORPORATION AND DOMICILE

Malaysia

PROFILE OF DIRECTORS



**DATO' SERI DIRAJA TUNKU
SHAZUDDIN ARIFF IBNI SULTAN
SALLEHUDDIN**

Chairman/Independent
Non-Executive Director



**DATO' SYDNEY
LAWRANCE QUAYS**

Director and
Chief Executive Officer



TAN THIAM CHAI

Non-Independent
Non-Executive
Director



CHRYSEIS TAN SHEIK LING

Non-Independent
Non-Executive
Director



**DATUK ZAINUN AISHAH
BINTI AHMAD**

Independent
Non-Executive Director



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

Independent
Non-Executive Director

PROFILE OF DIRECTORS

DATO' SERI DIRAJA TUNKU SHAZUDDIN ARIFF IBNI SULTAN SALLEHUDDIN

Chairman/Independent Non-Executive Director

<i>Malaysian</i>	<i>Aged 52</i>	<i>Male</i>
------------------	----------------	-------------

He was appointed to the Board on 4 December 2017 as the Chairman of the Company. He is a member of the Employees' Share Scheme Committee.

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

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

DATO' SYDNEY LAWRENCE QUAYS

Director and Chief Executive Officer

<i>Malaysian</i>	<i>Aged 54</i>	<i>Male</i>
------------------	----------------	-------------

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

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

He was a pioneer 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.

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

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

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

PROFILE OF DIRECTORS

TAN THIAM CHAI

Non-Independent Non-Executive Director

Malaysian	Aged 63	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 College) and also completed The Association of Chartered Certified Accountants (UK) professional course in 1981. He is a Fellow member of the Association of Chartered Certified Accountants (UK) since 1990 and also a member of the Malaysian Institute of Accountants.

He started work with an accounting firm in Kuala Lumpur for about 2 years and thereafter served in various Finance and Accounting positions with the Hong Leong group of companies in Malaysia as well as in Hong Kong for about 8 years. He joined Berjaya group of companies in early 1991 as a Finance Manager of an operating subsidiary and was promoted to Operation Manager later that year. In 1992, he was transferred to the Corporate Head Office of Berjaya Group Berhad to head the Group Internal Audit function and subsequently in 1993, he was promoted to oversee the Group Accounting function of Berjaya Group Berhad.

He was previously appointed as the Chief Financial Officer of Berjaya Corporation Berhad ("BCorp") on 18 July 2008 until his retirement on 31 December 2018 and he is currently the Financial Adviser of BCorp. He is also a Director of Atlan Holdings Bhd, Indah Corporation Berhad, Cosway Corporation Berhad, Berjaya Vacation Club Berhad, Tioman Island Resort Berhad, Berjaya Starbucks Coffee Company Sdn Bhd and Cosway Corporation Limited (Hong Kong).

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

CHRYSEIS TAN SHEIK LING

Non-Independent Non-Executive Director

Malaysian	Aged 33	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, Ms Chryseis Tan 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, Ms Chryseis Tan is an Executive Director of Berjaya Assets Berhad, Berjaya Land Berhad as well as a Non-Executive Director of 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.

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

PROFILE OF DIRECTORS

DATUK ZAINUN AISHAH BINTI AHMAD Independent Non-Executive Director

<i>Malaysian</i>	<i>Aged 76</i>	<i>Female</i>
------------------	----------------	---------------

She was appointed to the Board on 20 May 2010 as an Independent Non-Executive Director. She is the Chairman of the Audit and Risk Management Committee, Nomination Committee and Sustainability Committee. She is also a member of the Remuneration Committee and Employees' Share Scheme Committee.

She graduated with a Bachelor of Economics degree from University Malaya. She began her career and worked with Malaysian Industrial Development Authority ("MIDA"), the Malaysian government's principal agency for the promotion and coordination of industrial development in the country for 35 years. In her 35 years of service, she has held various key positions in MIDA as well as in some of the country's strategic council, notably her pivotal role as the National Project Director in the formulation of the first Malaysian Industrial Master Plan. She was the Director-General of MIDA for 9 years and Deputy Director-General for 11 years. Whilst in MIDA, she also sat on various committees/authorities at national level, including being a member of the Industrial Coordination Act Advisory Council, Defence Industry Council and National Committee on Business Competitiveness Council, Malaysia Incorporated and the National Project for Majlis Penyalاران Perindustrian before retiring in September 2004.

Currently, she is a Director of Pernec Corporation Berhad.

DATO' (DR) MUSTAPHA BIN ABD HAMID Independent Non-Executive Director

<i>Malaysian</i>	<i>Aged 69</i>	<i>Male</i>
------------------	----------------	-------------

He was appointed to the Board on 20 May 2010 as an Independent Non-Executive Director. He is the Chairman of the Remuneration Committee. He is also a member of the Nomination Committee, Audit and Risk Management Committee and Sustainability Committee.

He graduated from the Royal Military College in 1972 and went on to obtain a Bachelor Degree (Honours) in Social Science from Universiti Sains Malaysia, Penang in 1977, and a Diploma in Public Management from the National Institute of Public Administration Malaysia (more commonly known as INTAN) in 1978. He started his career as an Administrative and Diplomatic Officer of the Research Division in the Prime Minister's Department and was posted as the First Secretary of the Malaysian Embassy in Paris, France (1982-1985). During his 16 years in the public service sector, he was also the Consul of Consulate General Malaysia in Medan, Indonesia (1990-1993) and the Principal Assistant Director in the Prime Minister's Department (1993-1994). He was appointed as Chancellor of Saito University College in April 2018 and at the same time was awarded an Honorary Doctorate in Education.

Currently, he is a Director of Teo Guan Lee Corporation Berhad, Acmar FHP Group Berhad and Lii Hen Industries Bhd. He also holds directorship positions in several other private limited companies.

Save as disclosed, none of the Directors have:-

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

KEY SENIOR MANAGEMENT

CHIN WAN CHING (LOUISE)

Chief Financial Officer

Berjaya Food Berhad

Malaysian	Aged 52	Female
-----------	---------	--------

Louise joined Starbucks Malaysia on 1 December 2008 as a Financial Analyst and was appointed as the Vice President of Finance on 1 October 2017. 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. In her current position, Louise spearheads the Finance and Account Department and Quality Assurance (QA) Department at Berjaya Starbucks Coffee Company Sdn Bhd. Louise also manages the Finance and Accounts Department in Berjaya Food Supreme Sdn Bhd (Starbucks Brunei) and Berjaya Food Trading 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.

She was also overseeing the financials of the brands under Berjaya Food Berhad before her promotion as the Chief Financial Officer of Berjaya Food Berhad on 12 November 2020.

SOH SIEW WAN (ERICA)

Director of Real Estate

Berjaya Starbucks Coffee Company Sdn Bhd

Berjaya Food Berhad

Malaysian	Aged 46	Female
-----------	---------	--------

Erica Soh has 14 years of experience in the Food and Beverage industry and 6 years of Retail Planning & Leasing in the shopping mall industry. Her previous career in McDonald's Malaysia supporting Real Estate Asset Management has been recognized with a prestigious President's Award in Chicago US which honours the top 1% employee worldwide.

She joined the team on 5 April 2021 as Director of Real Estate and works closely with the team on the strategic growth for Starbucks Malaysia and Brunei. Her experience allows her to strategize the growth acceleration of Starbucks Drive-Thru stores and also oversees the growth of other brands in Berjaya Food Berhad.

She graduated with a Degree in Advertising & Marketing from Limkokwing Institute Creative of Technology and is very passionate about the retail industry.

STEVEN ANTHONY SOOSAY

Director of Operations

Berjaya Starbucks Coffee Company Sdn Bhd

Malaysian	Aged 42	Male
-----------	---------	------

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

In 2003, as a store manager at the time, Steven was awarded Manager of the Year. He was promoted to a District Manager in 2006. He also held a Senior Manager role in several key functions, including Compliance & Quality Assurance, Employee and Asset Protection and IT, before being promoted to Director of Operations in 2019 where he manages the operations of Starbucks stores across Malaysia and Brunei. He is also part of the Senior Leadership Team and Executive Committee of Starbucks Malaysia and Brunei.

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

KEY SENIOR MANAGEMENT

ZAKIAH HANIM BINTI MD ZAKI

Director of Marketing & Category

Berjaya Starbucks Coffee Company Sdn Bhd

Malaysian

Aged 44

Female

Zakiah Hanim is currently the Director of Marketing and Category, where she spearheads the marketing initiatives and product innovations for Starbucks Malaysia & Brunei, as well as bring together the essential functions including Loyalty, Category, Food Development, Creative, Public Affairs and Social Media. She first joined Starbucks as a part-time barista and then rejoined as a full-time partner in February 2004.

In 2010, she joined the Category department and was responsible for bringing in profitable new product innovations to Starbucks stores in Malaysia and Brunei, including beverages, food products and retail merchandise items. In 2018, she took on the key role of initiating the first local designer collaboration which has since lead to few other collaborations for Starbucks Malaysia.

Zakiah holds an Executive Diploma in Engineering Business Management from Universiti Teknologi Malaysia.

LEE SIEW FEI

General Manager

Berjaya Roasters (M) Sdn Bhd

Malaysian

Aged 57

Female

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

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

HOW SENG HUAT (ANDY)

Director of Operations & Restaurant Development

Berjaya Roasters (M) Sdn Bhd

Malaysian

Aged 51

Male

Andy started his career with Starbucks as a Store Manager in 2000 and was promoted to Senior Store Development Manager. He has contributed significantly to the store growth and expansion of Starbucks, particularly with the Starbucks Drive-Thru and Reserve™ concept stores. Given his strong leadership skills and solid business acumen, he was promoted to his current role on 1 March 2018. In his role, Andy oversees the Operations and Restaurant Development Department for Kenny Rogers Roasters in Malaysia.

Andy graduated from McDonalds Hamburger University in 1996 and of the Inaugural Berjaya Advanced Leadership Programme in 2013. He has over 20 years of experience in the QSR and Cafe Industry.

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

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

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of Berjaya Food Berhad (“BFood or the Group”), I am pleased to present the Annual Report and Financial Statements for the financial year ended 30 June 2022.

The financial year under review was another arduous year marked by macroeconomic and operational headwinds coupled with the prolonged effects of the COVID-19 pandemic. Despite the challenging operating environment, it was great to see how customers responded to our brands during these unprecedented times.

Overall, the Group registered a commendable performance for the current financial year under review. This was made possible by the Group's relentless commitment to cost optimisation and operational efficiency while meeting the increasing demands and elevating our customer experiences.

Financial Results

For the financial year ended 30 June 2022, BFood registered higher revenue of RM997.76 million and pre-tax profit of RM188.79 million compared to revenue of RM717.34 million and pre-tax profit of RM74.73 million reported in the previous financial year.

The significant increase in the pre-tax profit was in tandem with the higher revenue recorded in the financial year under review. The Group's commendable performance was attributed to the higher same-store-sales growth from the existing and new Starbucks cafe outlets opened during the financial year, as well as the turnaround of the Kenny Rogers Roasters business performance.

Dividend and Bonus Issues

For the financial year ended 30 June 2022, the Group declared and paid a total dividend of 5.50 cents single-tier dividend per share (3.0 cents single-tier dividend per share for the previous financial year ended 30 June 2021).

To reward our shareholders and to allow them to have great participation in the equity of the Group, BFood had on 13 June 2022 proposed a bonus issue of 1,558,106,228 new ordinary shares (“Bonus Shares”) on the basis of 4 Bonus Shares for every 1 existing ordinary share held on 5 September 2022. On 6 September 2022, the Company announced that the issuance of Bonus Shares was completed following the listing of and quotation for the aforesaid Bonus Shares on the Main Market of Bursa Malaysia Securities Berhad.

Future Prospects

While most countries around the world progressively transition toward the endemic phase of COVID-19, the global economic outlook has deteriorated throughout



2022 amid rising inflationary pressures, high commodity and food prices, global supply chain disruptions, and the ongoing Russia-Ukraine war.

Despite a softening global economic growth, the Malaysian economy is projected to grow between 4% and 5% in 2023 supported by steady domestic demand, a vibrant services sector, and sustained exports. Following the easing of movement restrictions and reopening of international borders, the resumption of economic and social activities has further presented opportunities for the food and beverage segment to capitalise on the rising consumer confidence and demand. To this end, the Group will continue to focus on its cost optimisation efforts and operating initiatives while intensifying its marketing and promotional activities. These include the delivering of innovative food and beverage options, driving digital relationships, and

CHAIRMAN'S STATEMENT



Starbucks Jalan Lintas DT, Kota Kinabalu, Sabah.

introducing limited-edition local designer collaborations as well as various product promotions on weekends and festive seasons to garner more traffic to its outlets.

Recognising the growing popularity of plant-based diets, the Group expanded its offerings in 2020 through SALA, a vegan Texas-Mexican-inspired restaurant. Currently, there are 7 SALA outlets in the Klang Valley. The Group also entered the retail market through its newly incorporated subsidiary, Berjaya Kelava Sdn Bhd, which produces coconut-based dairy-free vegan ice cream under the brand name “Kelava”.

In June 2022, the Group announced its joint venture with Paris Baguette to bring the famous South Korean bakery to Malaysia. Established in 1988, Paris Baguette is well-known for its French-inspired baked goods with over 3,400 outlets across 7 countries. The first Paris Baguette outlet in Malaysia is set to open in the Klang Valley by the end of 2022. The Group foresees the bakery business as a positive strategy for its overall growth.

Although the operating landscape remains volatile, the Group will continue to stay agile in our approach while navigating the headwinds and keeping steadfast in enhancing our customers' experience. The Group's ongoing expansion plans will also allow us to continue providing gainful employment, thus narrowing the country's unemployment gap as a result of the pandemic.

Note of Appreciation

On behalf of the Board, I would like to express my gratitude and appreciation to our customers, business partners, and shareholders for their constant support and confidence in the Group.

I would also like to take this opportunity to thank our management and employees for their tenacity, support, and hard work. Your resilience and professionalism have allowed us to continue delivering excellent service and value to our customers.

Last but not least, I would like to thank my fellow members of the Board for their invaluable advice and guidance throughout the year.

Dato' Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin

Chairman

12 October 2022

MANAGEMENT DISCUSSION & ANALYSIS



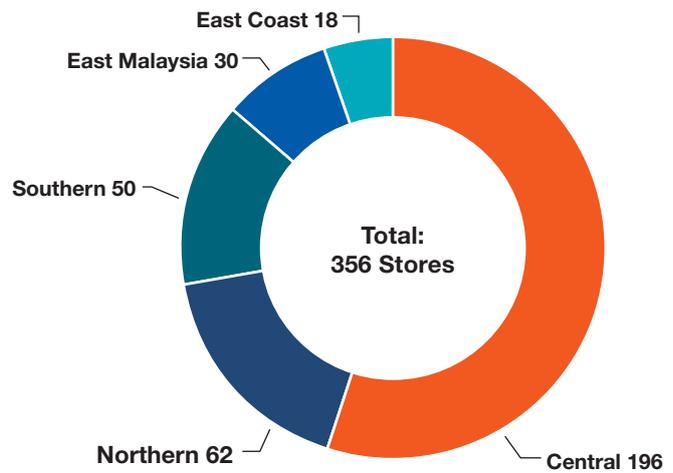
BERJAYA STARBUCKS COFFEE COMPANY SDN BHD

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 freshly brewed coffees, Italian-style espresso beverages, cold-blended beverages, a variety of pastries and confectioneries, coffee-related equipment and accessories, and a selection of premium teas, among others.

As at 30 June 2022, BStarbucks has 356 stores located throughout Malaysia.

Store Location By Region



Location	Total
East Coast	18
Pahang	14
Kelantan	2
Terengganu	2
East Malaysia	30
Labuan	1
Sabah	15
Sarawak	14
Southern	50
Johor	36
Melaka	9
Negeri Sembilan	5
Northern	62
Penang	36
Kedah	11
Perak	14
Perlis	1
Central	196
Kuala Lumpur	91
Selangor	101
Putrajaya	4

MANAGEMENT DISCUSSION & ANALYSIS

Revenue

For the financial year ended 30 June 2022, BStarbucks registered revenue of RM884.2 million compared to RM625.4 million in the previous financial year, despite the imposition of national recovery phase and endemic during the financial year under review.

Over the same period, BStarbucks' store count increased to 356 stores from 327 stores in the previous financial year. The new stores included a Drive Thru (DT) store in Perlis – Kangar Jaya DT, its first store in Perlis, completing the company's presence in all 16 states and federal territories in Malaysia. Currently, there are 70 drive-thru stores including 12 new drive-thru stores opened during the financial year ended 30 June 2022.

BStarbucks upgraded its Starbucks Rewards programme to a spend-based loyalty programme at the end of June 2021, bringing new excitement to its loyal customers. The upgraded Starbucks Rewards programme enables customers to accumulate stars with every ringgit spent and offers wider redeemable product options, such as merchandise, and food and beverage. The tender rate or payment mode remain the same as the previous transaction-based reward system.

During the financial year under review, BStarbucks launched a series of food and beverage offerings as well as local designers collaborations, which increased interest and foot traffic to its stores. BStarbucks will continue to ramp up its marketing and promotions for seasonal drinks and merchandise to increase sales.

Profit Before Tax

During the financial year under review, BStarbucks recorded profit before tax of RM193.5 million compared to RM90.1 million in the previous financial year due to higher revenue as well as effective cost optimisation initiatives through constant cost review and sourcing of alternative suppliers and service providers to lower operating cost.



Starbucks Kangar Jaya DT, Perlis.

Future Prospects

In the financial year 2023, BStarbucks plans to open 35 to 40 stores, targeting the urban and rural markets particularly in satellite towns and metropolitan towns.

BStarbucks will continue to review and refresh its food menu by introducing new food categories and collaborating with best-in-class culinary experts and celebrities.

BStarbucks will also continue to elevate brand loyalty and drive an effortless digital experience through its revamped Starbucks Reward programme by unlocking personalisation features derived from its members' purchasing behaviour. Advanced digitalised ordering and payment method will be implemented to enhance customers' experience, loyalty and frequency, and also to offer more card designs with attractive benefits for its members.

BStarbucks is also committed to being people positive to enhance the well-being of all who connect with the Starbucks brand. Through actions and programmes promoting opportunity, inclusion, and community. BStarbucks strives to open its 3rd Signing Store, which will provide a space for the Deaf and Hard of Hearing community to connect through sign language.

Looking forward into the financial year 2023, BStarbucks will continue to focus on mitigating rising cost by sourcing alternative construction materials and procuring them well in advance or immediately once the site has been secured to avoid inflation. The team will also work with its landlords and contractors to build stronger relationships with shared investments.

MANAGEMENT DISCUSSION & ANALYSIS



BERJAYA ROASTERS (M) SDN BHD

Overview

Berjaya Roasters (M) Sdn Bhd (“BRoasters”) is a wholly-owned subsidiary of Berjaya Food Berhad (“BFood”), and the master franchisee of restaurant chain, Kenny Rogers ROASTERS in Malaysia. It offers a mid-casual dining setting with rotisserie-roast chicken as its main menu complemented by a rich variety of hot and cold side dishes. Other menu items include Kenny’s famous home-made muffins, vegetable salads, pasta, soups, desserts and beverages served in a friendly and comfortable environment.

During the financial year ended 30 June 2022, BRoasters’ key focus was on marketing and promotional initiatives. Various tactical promotional activities were carried out across multiple platforms to reach out to customers. BRoasters also collaborated with food aggregators, corporates and e-wallet providers to drive sales through online and offline channels.

BRoasters continues to find ways to attract new customers while working to retain its supporters. During the financial year, BRoasters launched four Limited Time Offer campaigns, namely Truly Malaysian Favourites, Reef & Beef which offered a range of Crispy Fish Fillet and Beef Meatballs meals as well as Salted Egg Specials and Meriah Raya that featured an array of Ayam Masak Merah meals. BRoasters also introduced three options of plant-based meals to cater to the increasing demand for meatless dining. Seasonal products such as Classic Gift Pack and Epic Roast were offered for festivity dining-at-home and home-party segments.

As at 30 June 2022, there are 68 stores operated by BRoasters and 8 sub-franchisee store throughout Malaysia.

Revenue

For the financial year ended 30 June 2022, BRoasters recorded revenue of RM71.5 million, an increase of 29.3% compared to RM55.3 million in the previous financial year. The higher revenue was mainly driven by the business strategies adopted, new innovative product offerings and attractive promotion initiatives to reap the benefit from the COVID-19 recovery phase.

During the financial year under review, BRoasters opened 4 new stores and closed 7 non-performing stores.

Profit Before Tax

BRoasters registered profit before tax of RM6.2 million during the financial year ended 30 June 2022 compared to loss before tax of RM4.4 million in the previous financial year, mainly due to the improvement in sales and various cost management initiatives.

Future Prospects

Moving forward, BRoasters will continue to focus on driving sales, while strategise towards mitigating inflation and supply-chain disruptions. Digital menu ordering will be further enhanced and front-end cashless payment integration to POS system will be implemented to optimise operational efficiency as well as reduce labour dependency. Collaboration with major digital business partners remains the key approach to strengthen its brand presence nationwide. BRoasters plans to open 9 new stores in the new financial year with a smaller footprint restaurant concept in high traffic secondary township areas.

MANAGEMENT DISCUSSION & ANALYSIS



JOLLIBEAN FOODS PTE LTD

Overview

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

The “Jollibean” brand has become a household name since its inception in 1995. It all started with the philosophy of bringing back the nostalgic childhood memories of Singaporeans by providing nutritious and healthy traditional snacks suitable for all ages. As at 30 June 2022, Jollibean Foods operates 21 outlets under the brand name of “Jollibean” in Singapore.

Jollibean Foods’ Sushi Deli outlets serves 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 Cheese Cake. As at 30 June 2022, Jollibean Foods operates 8 outlets under “Sushi Deli”.

During the financial year under review, Jollibean Foods opened 5 new outlets and closed 9 non-performing outlets.

Revenue

For the financial year ended 30 June 2022, revenue increased by 6.2% to S\$6.9 million from S\$6.5 million in the previous financial year, which was contributed by a slight increase in footfall to the outlets as workplaces and business premises gradually reopened as a result of the relaxation of the COVID-19 restrictions in Singapore since April 2022.

Loss Before Tax

During the financial year under review, Jollibean Foods recorded loss before tax of S\$1.25 million compared to loss before tax of S\$695,000 registered in the previous financial year. This was due to the significant write offs, closing of underperforming stores and higher production cost in an inflationary environment due to supply chain disruptions and the impact of COVID-19.

Future Prospects

As part of its business strategy moving forward, Jollibean Foods will focus on cost optimisation by moving into a co-working office space, and streamlining its soymilk production to improve business performance.

Jollibean Foods will continue to drive key tactical programmes in terms of innovative product offerings by collaborating with brands such as “Lotus Biscoff”, “Laughing Cow” and “Oatly”, as well as active local store marketing programmes. Jollibean Foods will also accelerate its digital marketing efforts through co-funded marketing campaigns with promotional activities via online and e-commerce platform, as well as strategic partnerships with e-wallet providers to drive sales.

Jollibean Foods targets to open 3 stores in the next financial year and grow the Sushi Deli brand.

MANAGEMENT DISCUSSION & ANALYSIS



BERJAYA JOLLIBEAN (M) SDN BHD

Overview

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

As of 30 June 2022, there are 2 Joybean kiosks in Malaysia, namely at Sunway Pyramid and Tropicana Gardens Mall.

Revenue

For the financial year ended 30 June 2022, BJoybean registered a lower revenue of RM0.22 million compared to RM0.39 million in the previous financial year.

BJoybean’s sales was negatively impacted by the Government mandated COVID-19 restrictions.

Loss Before Tax

BJoybean recorded a lower loss before tax of RM0.46 million during the financial year under review, compared to loss before tax of RM1.5 million in the previous financial year. The lower loss before tax during the financial year under review was due to the strategies adopted to increase cost efficiency and productivity as well as closure of underperforming stores.

Future Prospects

BJoybean will downscale and change its business model to a ‘Production and Supply’ concept in the upcoming financial year 2023. The production centre will produce Joybean soy milk and supply to targeted small food and beverage chains, convenient stores and kopitiams. With the new business model, BJoybean is anticipated to improve its business performance in the year ahead.



Joybean Soy Pudding.

MANAGEMENT DISCUSSION & ANALYSIS



BERJAYA FOOD SUPREME SDN BHD

Overview

Berjaya Food Supreme Sdn Bhd (“BFS”) was incorporated in Brunei on 24 September 2013. It is 80% owned by Berjaya Food (International) Sdn Bhd and is principally engaged in the operation of Starbucks retail stores in Brunei. The first Starbucks retail store in Brunei was opened in Mabohai Shopping Complex on 16 February 2014. As of 30 June 2022, BFS has 4 Starbucks stores including 1 drive-thru concept store.

Revenue

For the financial year ended 30 June 2022, BFS’s revenue increased to B\$2.6 million from B\$2.3 million in the previous financial year as the border was closed and international travels were still restricted.

Profit Before Tax

For the financial year ended 30 June 2022, BFS recorded profit before tax of B\$641,000 compared to profit before tax of B\$529,000 in the previous financial year due to higher domestic spending, improved revenue, and the initiative to keep operating costs low.

Future Prospects

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



Starbucks partners (employees) in Brunei outlet.

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 Starbucks Bottled Frappuccino and Joybean’s premium soy milk to all retailers in Malaysia such as 7-Eleven, AEON, Cold Storage, Village Grocer, Jaya Grocer and CU Marts, to name a few.

BFT also obtained the distributorship for Dilmah Tea Beverage, which originates from Sri Lanka. The distributorship covers Malaysia and Brunei.

As at 30 June 2022, BFT has approximately 6,000 distribution outlets across Malaysia. It has also expanded to other countries such as Myanmar, Singapore and Vietnam.

Revenue

For the financial year ended 30 June 2022, BFT recorded revenue of RM13.7 million compared to RM10.1 million in the previous financial year. The increase in revenue was due to the increase in product distribution, as well as the launch of several new products under the Joybean and Starbucks brands during the financial year under review.

Profit Before Tax

For the financial year ended 30 June 2022, BFT recorded profit before tax of RM1.4 million compared to profit before tax of RM175,000 in the previous financial year. The higher profit before tax was mainly due to the business recovery from the COVID-19 pandemic, and reduction in stocks returned as compared to the previous financial year.

Future Prospects

BFT will launch a new series of Joybean products to provide more variety to the market. It will also further expand its distribution of Joybean products in Malaysia, as well as in countries such as Singapore, Myanmar, Vietnam and other countries in the Southeast Asia region.

BFT also plans to introduce a wider range of premium CPG food and beverage brands into the Malaysian market, which will add to the revenue stream of the company and to excite the market by creating strong brand visibility via social media and corporate partnerships.



Joybean assorted flavoured nuts, crispy crepes and chips bundles.

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, at 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, which are lower in calories and cholesterol while higher in clean protein. It also means that no animals are harmed in the making of the dishes. SALA transforms famous local staples like the Malaysian ‘Nasi Lemak’, and gives 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 2022, Ser Vegano has 7 outlets in the central region particularly at Desa Sri Hartamas, Desa Park City, Meridin Mont Kiara, Bandar Rimbayu, Avenue K, Alamanda Putrajaya, and Berjaya Times Square.

Revenue

For the financial year ended 30 June 2022, Ser Vegano recorded revenue of RM3.0 million compared to RM1.8 million during the 10-month period in the previous financial year. The increase in revenue was mainly due to the 3 additional outlets opening in Avenue K, Alamanda Putrajaya, and Berjaya Times Square.

Loss Before Tax

For the financial year ended 30 June 2022, Ser Vegano recorded loss before tax of RM1.7 million compared to loss before tax of RM552,000 during the 10-month period in the previous financial year mainly due to the increase in raw material prices and higher operating cost incurred for creating brand awareness.

Future Prospects

Moving into the financial year 2023, Ser Vegano will open 4 more outlets at strategic locations. The company will grow the brand by introducing innovative new plant-based food and beverage offerings to excite the market and customers. Ser Vegano will also accelerate its marketing efforts with new products and promotional activities through local store marketing programmes, online food aggregator platforms, corporate profiling and social media channels to build brand awareness.



Hello Dolly Southern Style High Fibre Chick'n Burger.

MANAGEMENT DISCUSSION & ANALYSIS



BERJAYA KELAVA SDN BHD

Overview

Local dairy-free ice cream under the brand Kelava was founded in 2017. In November 2021, Berjaya Food (International) Sdn Bhd entered into Kelava business by subscribing 51% of the issued share capitals of a newly formed company named as Berjaya Kelava Sdn bhd (“BKelava”).

The name Kelava is derived from the combination of the words ‘Kelapa’ (which means coconut) and ‘love’. Containing only plant-based ingredients in the ice cream base, BKelava brings smooth indulgence to ice-cream lovers. As a home-grown ice-cream producer, BKelava introduces a variety of local flavoured ice-cream such as Salted Gula Melaka, Onda-onda, Coconut Latte and etc. BKelava, offerings are nutritious, healthy and suitable for all ages.

To promote and enable healthier dairy-and-egg free options more widely available, BKelava focuses on distributing the ice cream to hotels, restaurants and cafes.

Revenue

For the financial year ended 30 June 2022, BKelava recorded revenue of RM122,000 for the 8-month period from November 2021 to 30 June 2022. During this period, BKelava has approximately 50 distribution points throughout central and northern region such as Klang Valley, Perak, and Pahang.

Loss Before Tax

For the financial period ended 30 June 2022, BKelava recorded loss before tax of RM170,000 for the 8-month period mainly due to the impact arising from the COVID-19 pandemic and the increase in administrative expenses for the setting up of a new manufacturing production plant.

Future Prospects

Moving into the financial year 2023, BKelava will focus on maximising its ice cream production capacity and expand its distribution point. BKelava also target to expand its reach through the opening of 1 retail outlet and focus on research and development to explore, innovate and introduce new flavours to customers.



BKelava ice cream.

GROUP FINANCIAL SUMMARY

	2022 USD'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000	2018 RM'000
Revenue	226,713	997,762	717,337	632,939	788,976	639,741
Profit/(Loss) Before Tax	42,716	187,992	74,726	(8,479)	46,563	19,197
Profit/(Loss) After Tax	27,872	122,665	45,726	(20,086)	24,178	218
Profit/(Loss) Attributable to Shareholders	28,352	124,776	47,112	(19,582)	24,376	1,175
Share Capital	58,605	257,920	246,774	243,938	243,742	243,232
Reserves	62,521	275,157	170,184	131,158	157,314	150,274
Equity Funds	121,126	533,077	416,958	375,096	401,056	393,506
Treasury Shares	(10,324)	(45,437)	(41,388)	(42,145)	(35,730)	(7,687)
Net Equity Funds	110,802	487,640	375,570	332,951	365,326	385,819
Non-controlling Interests	(674)	(2,968)	(1,030)	357	1,218	1,370
Total Equity	110,128	484,672	374,540	333,308	366,544	387,189
Share application money	-	-	184	-	-	-
	110,128	484,672	374,724	333,308	366,544	387,189
Long Term Liabilities	101,287	445,764	407,265	430,524	140,110	150,218
Current Liabilities	92,683	407,898	395,663	465,280	350,196	276,256
Total Equity and Liabilities	304,098	1,338,334	1,177,652	1,229,112	856,850	813,663
Property, Plant & Equipment	66,674	293,433	269,017	286,046	275,456	234,083
Right-of-use assets	86,592	381,093	325,717	351,615	-	-
Intangible Assets	104,459	459,723	458,149	458,257	459,631	457,106
Other Non-Current Assets	5,930	26,096	25,627	30,030	30,844	28,133
Current Assets	40,443	177,989	99,142	103,164	90,919	94,341
Total Assets	304,098	1,338,334	1,177,652	1,229,112	856,850	813,663
Net Assets Per Share (US\$/RM)	0.24	1.35	1.06	0.94	1.02	1.02
Net Earnings/(Loss) Per Share (Cents/Sen)	7.88	34.67	13.29	(5.50)	6.64	0.31
Dividend Per Share (Cents/Sen)	0.80	3.50	2.00	2.00	4.00	4.00
Total Net Dividend Amount (USD'000/RM'000)	2,871	12,635	7,102	7,096	14,482	15,061

Notes:

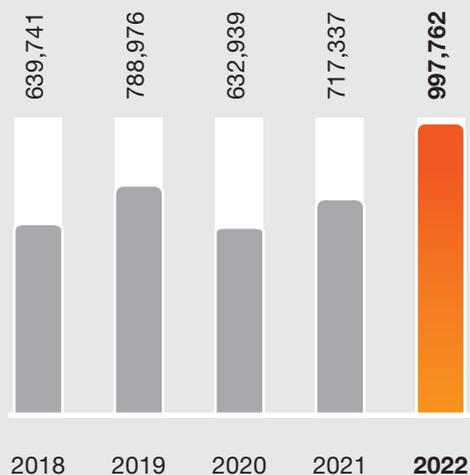
Figures for 2018 was for 12 months ended 30 April, 2019 was for 14 months ended 30 June 2019, and 2020-2022 are 12 months ended 30 June. The earnings/(loss) per share is calculated based on the weighted average number of shares with voting rights in issue.

The earnings per share for 2022 and 2021 that are disclosed in Note 25 to the financial statements are calculated based on weighted average number of shares after adjustment for the bonus issue that was completed subsequent to 30 June 2022, in accordance to the Malaysian Financial Reporting Standards 133: Earnings per share.

Exchange rate: US\$1.00=RM4.401

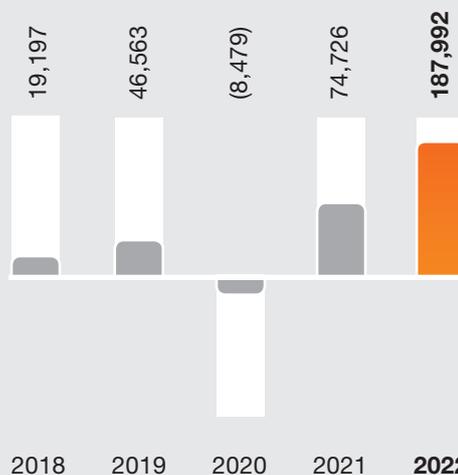
GROUP FINANCIAL HIGHLIGHTS

REVENUE (RM'000)



2018 2019 2020 2021 2022

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



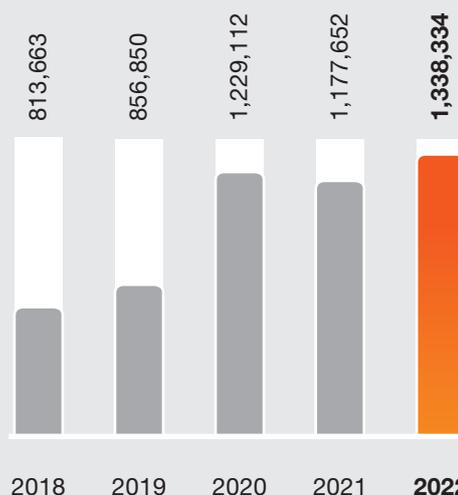
2018 2019 2020 2021 2022

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



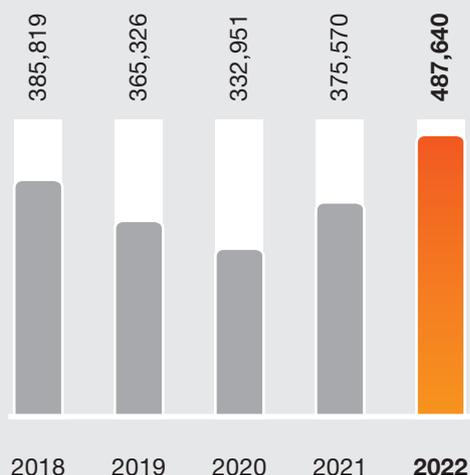
2018 2019 2020 2021 2022

TOTAL ASSETS (RM'000)



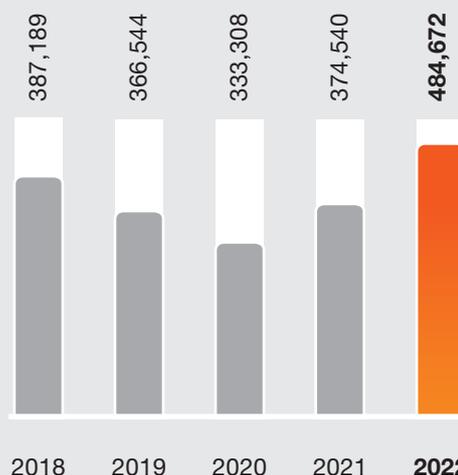
2018 2019 2020 2021 2022

NET EQUITY FUNDS (RM'000)



2018 2019 2020 2021 2022

TOTAL EQUITY (RM'000)



2018 2019 2020 2021 2022

CORPORATE STRUCTURE

OF OPERATING COMPANIES AS AT 3 OCTOBER 2022



BERJAYA
BERJAYA FOOD BERHAD

[Registration No. 200901032946 (876057-U)]



● Joint Venture

SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

This sustainability statement presents an overview of the Group's commitment to improving its social, environmental, economic and governance performance and showcases its progress in monitoring and reporting on these areas.

This statement contains insights into BFood's sustainability strategy, achievements and performance. It also highlights the Group's commitment to creating shared value for all stakeholders by operating and sustainably expanding its business.

 <p>Reporting Scope and Boundary</p>	<p>All principal business activities of BFood in Malaysia and Singapore are included in this statement, namely: Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks"), Berjaya Roasters (M) Sdn Bhd ("BRoasters"), Jollibean Foods Pte Ltd ("Jollibean Foods"), Berjaya Jollibean (M) Sdn Bhd ("BJoybean"), Berjaya Food Trading Sdn Bhd ("BFT") and Ser Vegano Sdn Bhd ("Ser Vegano").</p>
 <p>References, Data and Restatement</p>	<p>All references to "BFood" or "Group" collectively refer to BFood and all operating companies. "The Company" refers to the brand or Company under discussion.</p> <p>BStarbucks coverage is broader in this sustainability statement as it has the most extensive business operations, with its gross revenue and headcount accounting for approximately 80% of BFood Group.</p> <p>Where available, data is collected and reported with the aid of existing management control and information systems to ensure the reliability of information flows and the accurate monitoring of sustainability performance.</p> <p>BStarbucks has not restated past years' data and will continue to monitor its data collection system to ensure that information is comparable and meaningful over time.</p> <p>Preparing the sustainability statement is part of an annual reporting process subject to management review by BFood's Sustainability Committee, including final approval by BFood's Board of Directors ("Board").</p>
 <p>Reporting Period</p>	<p>The financial year 2022 ("FY2022") from 1 July 2021 to 30 June 2022, unless otherwise stated.</p>
 <p>Reporting Guidelines</p>	<p>Principle Guideline</p> <ul style="list-style-type: none"> • Global Reporting Initiative ("GRI ") Standards <p>Additional Guidelines</p> <ul style="list-style-type: none"> • 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
 <p>Feedback</p>	<p>For questions or comments regarding this statement and sustainability at BFood, please contact: enquiries@berjayafood.com</p>

SUSTAINABILITY STATEMENT



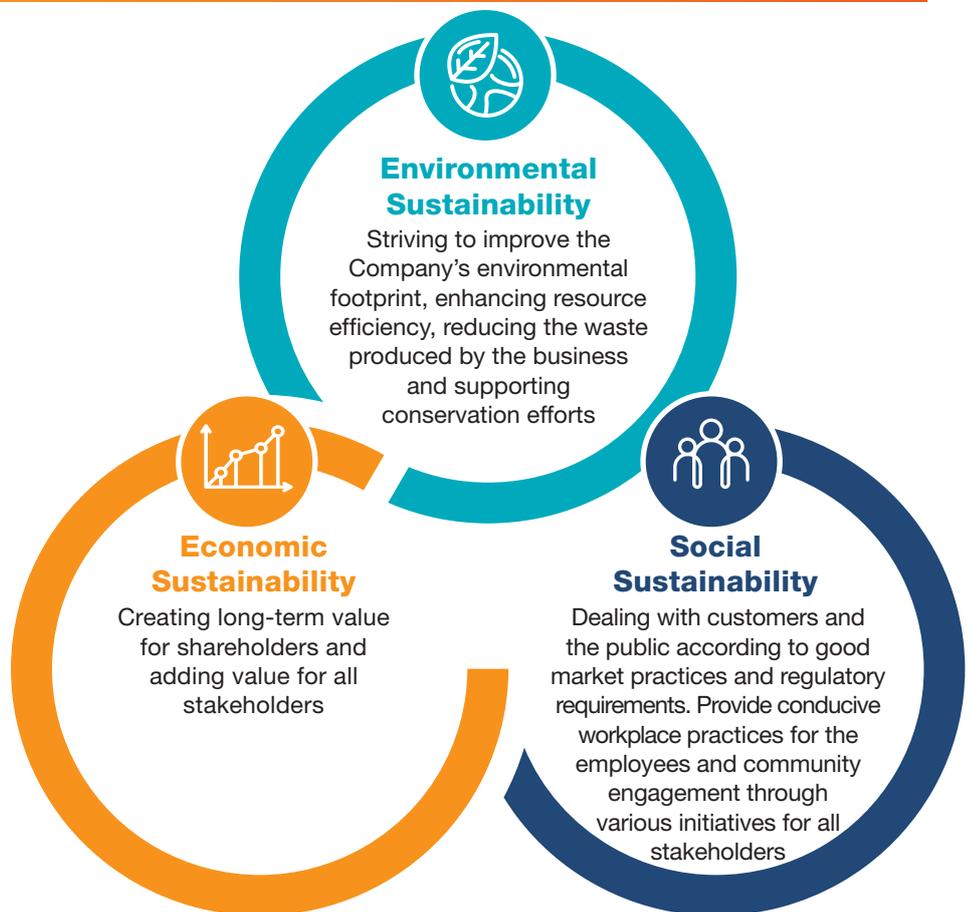
Starbucks Upcycled Flavorlock Pouch.

SUSTAINABILITY IS TOP ON THE MENU

BFood has begun on a journey of integrating sustainability into planning and decision-making. Aligning the Group’s sustainability and corporate strategies creates shared value for all stakeholders now and in the future.

A top-down approach to sustainability helps implement system-level changes across the value chain, ensuring sustainability is something the Group lives.

BFood ties sustainability to its brands, reputation and business operations. Meaningful stakeholder engagement, efficient resource use throughout operations and investing in local communities ensure BFood supports economic growth that benefits all society while minimising any adverse environmental and social impacts arising from its daily business operations.



BFood Sustainability Pillars

Environmental Sustainability

Striving to improve the Company’s environmental footprint, enhancing resource efficiency, reducing the waste produced by the business and supporting conservation efforts

Economic Sustainability

Creating long-term value for shareholders and adding value for all stakeholders

Social Sustainability

Dealing with customers and the public according to good market practices and regulatory requirements. Provide conducive workplace practices for the employees and community engagement through various initiatives for all stakeholders

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE

BFood is strongly committed to sustainability; its purpose, values and solid financial performance which form the basis for sustainable development. BFood's brands apply global guiding principles, such as the Quality, Environmental, Safety and Health ("QESH") policy and the Code of Conduct. Together with the Group's values, these principles promote a harmonised way of working towards sustainable development. BFood's management approach covers procedures, processes and systems to manage and monitor material topics.

The Board of Directors governs sustainability, overseeing the implementation of the sustainability strategy and reviewing major related issues. The Sustainability Working Committee, which reports directly to the Board, is responsible for:



Setting the Group's overall approach to corporate sustainability; and overseeing its performance against sustainability targets and related key performance indicators.

Sustainability Governance Structure



Necessary instructions and training on the Code of Conduct, anti-corruption, environmental and occupational health and safety support clearly defined responsibilities. BFood monitors its sustainability performance by utilising the information provided by various sustainability tools and activities, such as internal audits and compliance processes.

SUSTAINABILITY STATEMENT

ENGAGING STAKEHOLDERS

Stakeholders are instrumental in BFood's success as a sustainable business. Open, transparent and meaningful dialogue with stakeholders helps the Group understand and prioritise issues that matter most to them and business operations.

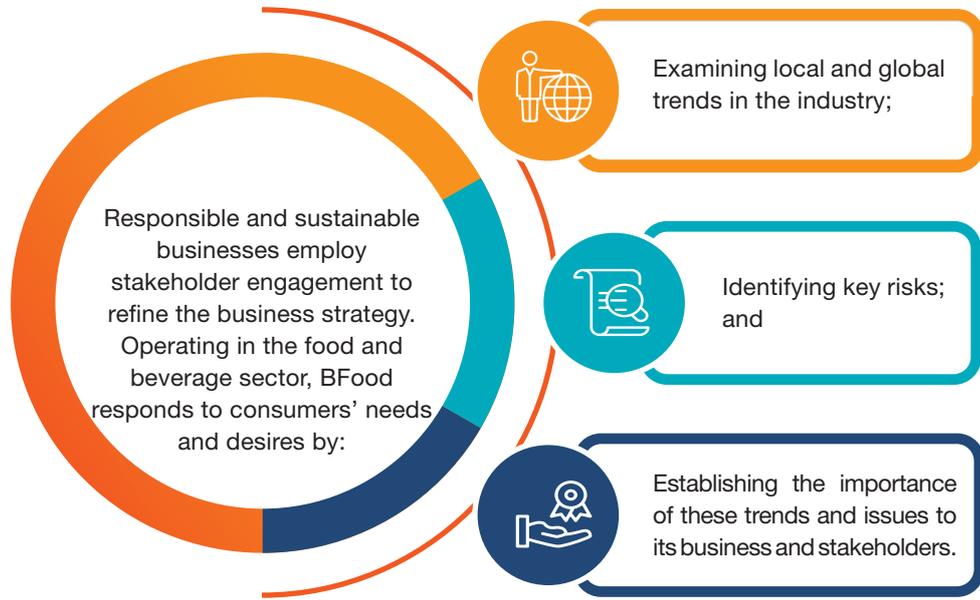
Stakeholder mapping is a core component of BFood's sustainability strategy. This process categorises key stakeholders, methods of engagement, needs and expectations of each stakeholder group. This mapping activity is not static but a continuously evolving, updated process to ensure relevance and meaningfulness.

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

Stakeholder Group	Engagement Platforms
 Government & Regulators	<ul style="list-style-type: none"> Meetings and interactions with the regulators on policy matters on issues concerning the customers and the general public
 Customers	<ul style="list-style-type: none"> Continuous efforts to serve customers more effectively using various feedback channels and initiatives
 Employees	<ul style="list-style-type: none"> Internal engagement channels Training and development programmes Open communication through Town Hall sessions
 Contractors, Consultants & Suppliers	<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
 Media	<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
 Communities, Non-Governmental Organisations ("NGOs"), Peer Companies, Industry Groups	<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
 Shareholders & Investors	<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

MATERIALITY ASSESSMENT AND PRIORITY AREAS



The materiality assessment is a crucial, ongoing part of sustainability management. BFood is committed to continuously improve its stakeholder engagement methods and updating its materiality matrix and topics. This approach helps identify new topics and issues so that the Group can dedicate resources to the areas that matter most. The materiality assessment is essentially the foundation of BFood’s future sustainability journey.

THE METHODOLOGY

BFood commissioned an external consultant to conduct a comprehensive study of the most material aspects of its sustainability programme in the last quarter of FY2022. Selecting an impartial, external party secured the anonymity of the respondents. BFood sought feedback from representatives of all major stakeholder groups:



BFood asked its stakeholders to rate the importance they placed on 16 areas of sustainability on a scale of ‘very unimportant (1) to ‘very important (5). Using a 5-point Likert Symmetric Scale allowed respondents to specify their level of agreement with (3) being neutral.

SUSTAINABILITY STATEMENT

THE RESULTS

BFood calculated an average score for all areas within each stakeholder group to ensure all stakeholders are represented equally before obtaining an average rating from all seven groups.

The following materiality matrix graphically presents the materiality assessment results. The results helped BFood address gaps in its sustainability disclosure.



Focus area under

- Economic Sustainability Pillar
- Environment Sustainability Pillar
- Social Sustainability Pillar

SUSTAINABILITY STATEMENT

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
 <p>Economic</p>	Corporate governance	Managing business strategy and sustainability processes to build financial integrity and deliver superior performance	<ul style="list-style-type: none"> Non-GRI topic In compliance with the Malaysian Code on Corporate Governance 	
	Risk management	Managing product, supplier, business and brand risks across the value chain	<ul style="list-style-type: none"> Non-GRI topic In compliance with the Malaysian Code on Corporate Governance 	
	Economic performance	Generating sustainable financial and economic returns, stakeholder value and business sustainability	<ul style="list-style-type: none"> Economic performance 	  
	Sustainable supply chain	Sourcing materials responsibly and working 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	Complying 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 	 
 <p>Environment</p>	Energy & climate change management	Using energy efficiently to minimise carbon emissions	<ul style="list-style-type: none"> Energy Emissions 	      
	Resource management	Using materials such as paper efficiently and also minimising water use, and managing its withdrawal	<ul style="list-style-type: none"> Water Materials 	 

SUSTAINABILITY STATEMENT

Sustainability Pillar	Focus Area	What it means to BFood	GRI Topics	Corresponding UNSDGs
 Environment	Waste management	Minimising waste and managing its disposal responsibly according to requirements by the authorities	<ul style="list-style-type: none"> • Effluents and waste 	    
 Social	Employee wellness, engagement & satisfaction	Prioritising 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	Upholding workplace safety for injury prevention and eliminating 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	Empowering 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 	   

SUSTAINABILITY STATEMENT

Sustainability Pillar	Focus Area	What it means to BFood	GRI Topics	Corresponding UNSDGs
 Social	Human rights	Protecting 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	Training 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 <i>Additional disclosure as this is necessary to the sustainability of the business</i> 	
	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	Protecting customers and other users' data during all transactions and loyalty schemes	<ul style="list-style-type: none"> Customer privacy 	
	Society	Strengthening 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

BFood recorded a healthy growth in FY2022 as COVID-19 restrictions eased and led to higher levels of economic activity. BStarbucks accounts for 96% of BFood’s net profit.

Despite rising production costs and the inflationary environment, BFood managed input costs to future-proof the business. BFood’s success is not only measured by the strength of its financial performance but its ability to create shared value for all stakeholders.

In view of the increasing cost of raw materials, BFood actively improves its product portfolio by pushing higher-margin products and widening offerings. For the past two years, BStarbucks has run more aggressive marketing campaigns to promote seasonal blended beverages, which have better margins. The brand also widened its merchandise offerings by capitalising on strong branding and customer loyalty.

During the financial year, BStarbucks remained resilient, underpinned by high customer retention rates and an effective company strategy in:



Generating customer interest through switching outlet formats; and



Leveraging third-party delivery services and a change in customers loyalty reward programme.

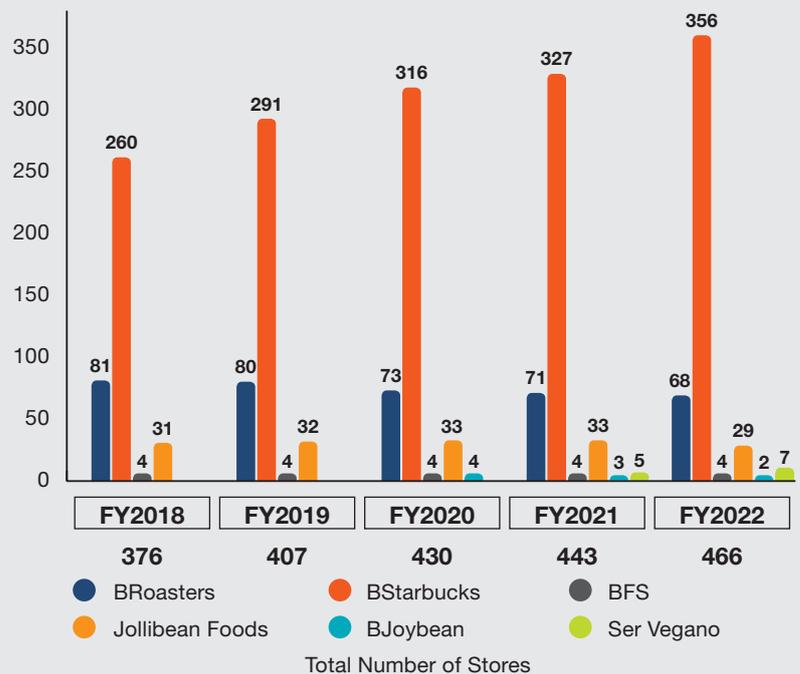
Moving forward, BStarbucks is accelerating its store expansion with more drive-through outlets and new outlets in smaller towns, neighbourhoods and communities, which are more convenient for customers. BFood will also continue to implement cost optimisation to sustain profitable growth for each business.

BRoasters also experienced a sales rebound after diversifying its menu and reducing heavy reliance on one cost item — chicken. BRoasters added fish fillet and meatball options to its menu.

BJollibean also recorded healthy sales growth due to increased traffic at malls where its outlets are located.

Berjaya Food (International) Sdn Bhd completed the acquisition of 50% equity interest in Ser Vegano in August 2020. With the trend of more people eating whole plant foods — which can be great steps for health and for the environment. In FY2022, Ser Vegano has addition of 2 more stores compared to FY2021.

Historical Outlet Expansion



VENTURING INTO SOMETHING CHILLY ON THE OUTSIDE THAT FEELS GOOD ON THE INSIDE

Derived from combining the words ‘Kelapa’ (coconut) and ‘love’, Kelava was founded in 2017 in a home kitchen. The ice cream’s base uses only dairy-free ingredients, with coconut being the base. BFOOD ventured in Kelava and incorporated Berjaya Kelava Sdn Bhd (“BKelava”) on 1 November 2021. BKelava offers local dairy-free ice cream in various flavours, including black sesame, wild berries, peanut butter brownie, coconut latte, chocolate and vanilla.

SUSTAINABILITY STATEMENT

SUSTAINABLE SUPPLY CHAIN

Food and beverage companies and their associated agricultural supply chains have a significant environmental and social impact that may become a global issue if not managed properly. Sustainability is an approach to integrating social, economic and ecological effects within BFood’s robust business strategy.

BFood’s procurement evaluates tenders in terms of pricing, credibility and other related matters such as compliance with labour law, Good Manufacturing Practice (“GMP”), and Hazard Analysis and Critical Control Points (“HACCP”) requirements. BFood’s food products and services adhere to JAKIM’s “Halal” requirements; suppliers must self-declare and provide updated certification. Regular compliance audits ensure suppliers comply with local regulatory hygiene practices.

Each of BFood’s brands has a customised Suppliers Code of Conduct containing the required principles and behavioural standards. All engaged contractors, vendors, consultants, or third parties must adhere to these principles to ensure a sustainable business relationship. As business partners, suppliers must demonstrate the highest standards of business conduct, integrity and adherence to the law.

All suppliers and vendors must agree to comply with Starbucks Global Human Rights Statements and Supplier Code of Conduct. This code applies to all current and new suppliers. Suppliers can notify the Group of known or suspected improper behaviour using a dedicated Whistleblowing channel. They can reach out to the Head of Internal Audit, and all reports are strictly confidential.

BFood requires existing suppliers to present a three-year roadmap which details their key milestones, deliverables and timing on sustainability and compliance. They must produce a semi-annual progress report and an annual update as part of BFood’s due diligence.

BFood is also committed to honouring the ten principles of the UN Global Compact in its supply chain, which:



Prohibits all types of discrimination or the use of child or forced labour; and



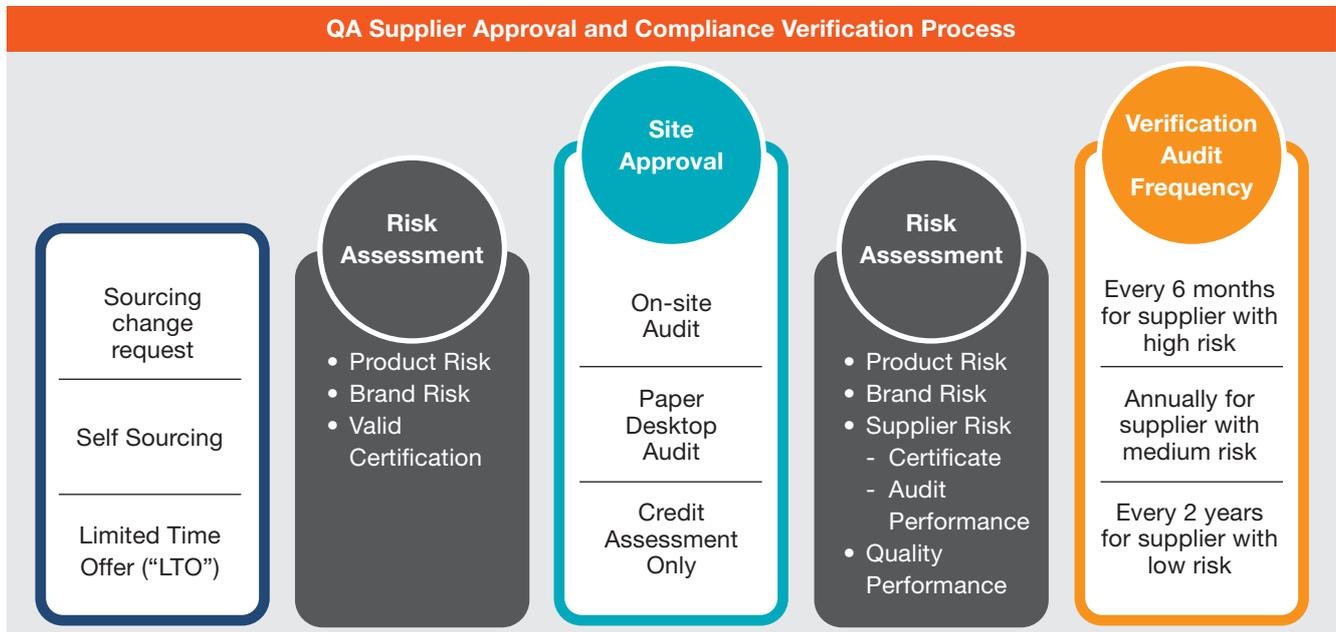
Requires that the upholding of freedom of association and the right to collective bargaining.

The Group’s Suppliers Code of Conduct includes the UN Global Compact principles. BFood’s primary supply chain responsibility addresses labour and human rights, safety, ethics and environmental risks. Evaluating new suppliers ensures they comply with these requirements during the overall evaluation and selection process. The Group examines existing strategic suppliers in periodic contract reviews and performs on-site inspections of individual suppliers.

Each supplier’s facility and products must pass assessments of ethical sourcing, supplier security, food safety, and product quality before BFood confirm its engagements. All facilities, products and processes must comply with Starbucks Standards.

BStarbucks’ Ethical Sourcing Manufacturing, Processing and Assembly Facility Verification requirements check self-sourced items follow risk-based pathways, including the product type and manufacturing location. The following diagram lists the verification requirements for every category.

QA Supplier Approval and Compliance Verification Process



SUSTAINABILITY STATEMENT

BFood requires food and non-food suppliers to adhere to the following standards and risk assessments, including quality assurance on food safety, ethical sourcing and security.

	Supplier Standards	Product Standards
 Food	<ul style="list-style-type: none"> The Global Food Safety Initiative (“GFSI”) or internationally recognised food safety certificate or audited by licensee QA 	<ul style="list-style-type: none"> Fluid dairy standards
 Non-food	<ul style="list-style-type: none"> ISO 9001 or equivalent 	<ul style="list-style-type: none"> Smallware food safety and quality standards

Jollibean Foods evaluates BJoybean’s suppliers, including food, beverages and packaging, before their appointment. Evaluation criteria include performance and goods quality.

SOCIALLY-AND ENVIRONMENTALLY-FRIENDLY SUPPLY CHAIN

BFood integrates environmental, social and financial business practices into its supply chain life cycle. The Group considers suppliers’ materials selection, quality, treatment of workers and overall sustainable practices with more formal certification such as:



- ISO 9001:2015 Quality Management Systems, including safety requirements
- Safety Management Standards
- ISO 14001:2015 Environmental Management System



Environmental Supply Chain

BFood is committed to supplier sourcing assessment processes, including social and environmental elements such as energy use, climate change impact measurement, greenhouse gas emissions, water use, biodiversity impacts, pollution, waste reduction, resource use, and other environmental issues.

Environmental policies are integrated into the supply chain. The Group communicates its expectations of major suppliers through regular communication and training relevant supplier staff.

Potential or new suppliers are subject to an environmental risk assessment as part of due diligence to ensure their full compliance with our environmental standards. Similar risk assessments are also performed for existing suppliers, especially those who are environmentally high-risk. Random and timely inspection audits are conducted on suppliers. There were no significant cases of non-compliance discovered during our FY2022 inspections. Suppliers and dealers are invited to join BFood on its green journey. They are encouraged to monitor, record and report their environmental performance and impact reduction.

The Group will continue to mitigate environmental impacts in our supply chain through participating and collaborating in workshops and industry or topic-specific initiatives.



There were no significant cases of non-compliance discovered during our FY2022 inspections.



SUSTAINABILITY STATEMENT



Social Supply Chain

BFood ensures that its major supply chain partners adhere to all social standards stipulated by the Malaysian Labour Law and the International Labour Organisation (“ILO”). The Group has a formal Ethical and Environmental Code of Conduct for suppliers, which includes the following terms:



Policies	<ul style="list-style-type: none"> • Preventing child labour: BFood and all suppliers must adhere to the Malaysian Labour Law on the minimum legal working age. • Preventing forced labour, stating employment should be freely chosen. • Providing equal opportunities and non-discrimination in hiring, remuneration or access to training, promotion, overtime, termination or retirement.
Freedom of association and right to collective bargaining	Everyone is respected to have the freedom to belong to an organisation of their choice in accordance with local freedom of association law, including the right to representation and discussion with the company on employment matters.
Working hours	Offering fair overtime pay and eliminating excessive working hours. Overtime shall be voluntary and must be paid at a premium rate.
Minimum wage	Meeting Malaysia’s minimum wage.
A safety policy, code and practices	Providing a safe and healthy workplace.

BFood has integrated its social supply chain policy and practices into buyer training, the purchasing policy and suppliers’ contracts. All suppliers are encouraged to inform workers of their social obligations. As part of due diligence, all suppliers are subject to a social risk assessment to ensure they comply with BFood’s standards. BFood informally assesses all suppliers, through physical inspection audits.

HELPING SUPPLIERS IMPROVE THEIR PERFORMANCE



Group photo of safety briefing to the new KRR restaurant team on the opening day.

BFood has a goal of helping its suppliers improve their performance sustainably through dedicated learning on risk issues in areas such as labour, ethics, health and safety, environment and management systems.

The Group engages with its major suppliers in building capacity in areas that include social and environmental issues. Industry best practices are discussed for their development through these engagement sessions. The Group works with suppliers to address environmental and social risks relevant to the food and beverage industry by providing supplier training on social issues and other mentoring and sharing best practices.

BFood raises awareness of its suppliers and engages them in doing business responsibly through a regular training programme. All suppliers are welcome to voice their concerns through Whistleblowing the supply chain team channel, regular meetings between the supply chain team and suppliers, annual supplier assessment and during the critical component supplier quarterly business review.

SUSTAINABILITY STATEMENT

LOCAL SOURCING

Local procurement creates value for local communities. Whenever possible, BFood prioritises local vendors when procuring its raw materials. However, BStarbucks procures its coffee beans, cocoa and tea directly from the United States, to ensure all beverages meets Starbucks requirement in quality and taste globally.

ETHICALLY SOURCED MANUFACTURED GOODS

BFood’s sourcing teams work directly with a diverse set of suppliers who share BFood’s commitment to ethical sourcing to negotiate contracts for the products it uses operationally and sells to customers. These social and environmental standards also allow the Group to help suppliers improve their business practices. BFood is committed to growing with its supply chain partners.

<div style="background-color: #00A0C0; color: white; padding: 10px; text-align: center;"> <p>Coffee</p>  </div> <ul style="list-style-type: none"> Launched in 2004, Coffee and Farmer Equity (C.A.F.E.) Practices are one of the first ethical sourcing standards in the coffee industry. This verification programme measures farms against economic, social and environmental criteria and is designed to promote transparent, profitable and sustainable coffee growing practices while protecting the well-being of coffee farmers and workers, their families and their communities. 	<div style="background-color: #00A0C0; color: white; padding: 10px; text-align: center;"> <p>Cocoa</p>  </div> <ul style="list-style-type: none"> Starbucks purchases cocoa from UTZ certified farmers, Rainforest Alliance Certified farms and COCOA practices-verified supply chains An independent verification organisation performs the inspections, which are audited by SCS Global Services 	<div style="background-color: #00A0C0; color: white; padding: 10px; text-align: center;"> <p>Tea</p>  </div> <ul style="list-style-type: none"> Starbucks sources tea from third-party certified farms Starbucks works closely with local and international organisations, including NGOs, government organisations and certifiers Being a member of industry organisations helps strengthen collective industry-wide action
---	--	---

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.

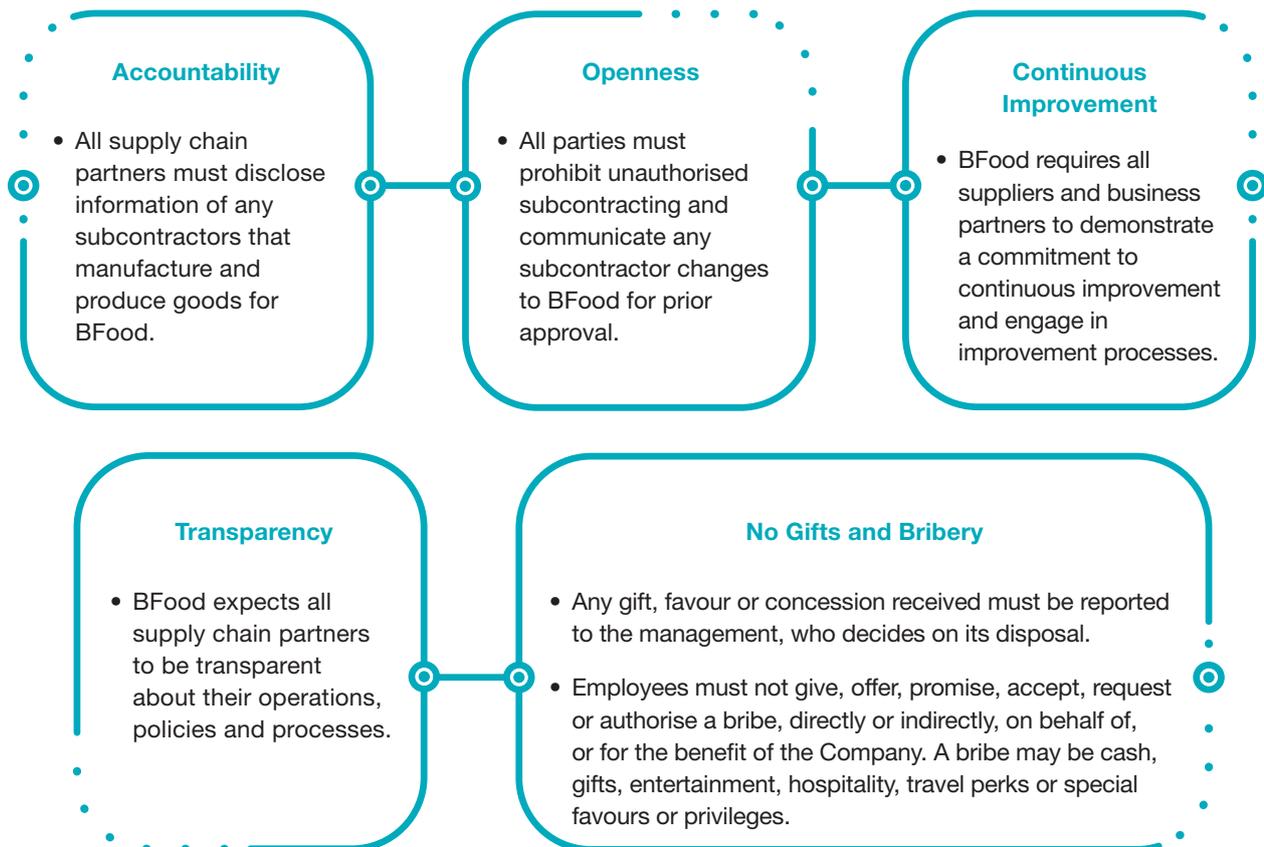
Berjaya and its affiliated companies, including BFood, adopt a strict zero-tolerance policy against all forms of bribery and corruption in their daily operations and take a strong stance against such acts. The Board is primarily responsible for establishing and effectiveness of the anti-bribery and anti-corruption 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:

 <p>Practising and upholding the highest level of integrity, ethics and accountability;</p>	<p>Observing and complying fully with all applicable laws and regulatory requirements on anti-bribery and anti-corruption; and</p>	<p>Effectively managing key corruption risks.</p>
--	--	---

SUSTAINABILITY STATEMENT

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 to Section 17A (5) of the Malaysian Anti-Corruption Commission Act 2009. It applies to all directors, employees and business partners who have also completed anti-corruption education and training.

BFood Zero Tolerance Standards



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 and is also part of its due diligence.

SUSTAINABILITY STATEMENT

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 enables customers to make healthy choices.

BFood has taken the global approach to clean labelling, in line with local regulations and consumer desires. BFood makes all products from fresh ingredients and displays allergens and nutrition information on every food packet sold and on the menu.

COMMUNICATIONS POLICY

BFood’s Board of Directors, through the Head of Risk and Compliance, ensures the effective communication of its anti-corruption programme internally and externally.



THE RIGHT TO SPEAK UP

BFood provides employees and all external stakeholders with a Whistleblowing communication channel for reporting non-compliance concerns. Every allegation is professionally and confidentially handled. Employees found to have been involved in bribery are subject to disciplinary action that will lead to termination. Heads of departments and sections must ensure that all employees adhere to the Anti-Bribery and Corruption Policy.

Employees must report suspected or actual violations to their immediate superiors or the following top management:

-  Head of Operating Company/Group Function Supervising Director;

- Head of Human Resource Division; or

- Head of Group Human Resource and Admin Division.

DATA AND PRIVACY

BFood implements effective methods to identify and manage associated risks to benefit from enhanced efficiencies whilst protecting its business systems. A sophisticated Intrusion Prevention System, Intrusion Detection System and Web Filtering detect and neutralise malicious threats.

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”).



COMPLIANCE

The anti-bribery and anti-corruption policy applies to all countries worldwide. BFood makes no allowances for regional customs, local practices or competitive conditions. BFood’s Malaysian operations have implemented monitoring and enforcement procedures to comply with local anti-corruption laws.



There have been no disciplinary cases reported for corrupt practices which resulted in the dismissal of employees. BFood received zero fines and penalties from the authorities during the recent years and reporting period, demonstrating the effectiveness of these stringent anti-corruption policies and practices.



SUSTAINABILITY STATEMENT



ENVIRONMENTAL

Interest in environmental sustainability has grown over the past decade. Increased climate change awareness and its potentially devastating economic impacts caused more businesses to reduce their energy consumption, water use and emissions. BFood recognises its vital role in improving resource use efficiency and reducing emissions throughout its operations.



Digital menu board in Starbucks stores.



BFOOD'S COMMITMENT TO THE PLANET

BFood is committed to continually researching bold, impactful and innovative solutions through its products while optimising its supply chain, reducing waste and improving its energy and water efficiency. All brands under the BFood umbrella will continue creating value for the planet, business, and stakeholders.

BFOOD'S ENVIRONMENTAL STEWARDSHIP APPROACH

BFood focuses on identifying bold, impactful, innovative solutions through its products while optimising its supply chain, reducing waste and improving energy and water efficiency.

BFood's Environmental Management System ("EMS") helps the Group manage its environmental actions in a comprehensive, systematic and documented approach aligned with ISO 14001. All companies maintain robust internal auditing systems for consistent environmental compliance across operations.

PATHWAY TO DECARBONISATION

BFood took bold action toward reducing its carbon emissions in FY2022 by:



Initiating its first GHG inventory; and

Formalising a comprehensive data collection process for reporting scopes 1, 2 and 3.

Validating its environmental processes helps the Group identify and manage risk, develop corrective action and management plans, and minimise risks to human health and the environment.

SUSTAINABILITY STATEMENT

CLIMATE CHANGE MANAGEMENT

Behind every BFood brand is one ultimate goal: to help protect people, the environment and local communities. Mitigating climate change risks is a significant part of this commitment. The Group recognises the devastating effects and associated short- and long-term business risks of climate change. BFood’s strong commitment to addressing this issue includes avoiding climate change’s impact by improving operations’ efficiency. BFood’s climate change strategy includes working with employees and supply chain partners on energy-saving processes and a complete climate change risk assessment.

BFood is also a member of various industry associations whose agenda addresses sustainability issues, including climate change. These associations include the Malaysia Retail Chain Association (“MRCA”) and the American Malaysian Chamber Of Commerce (“AMCHAM”). Through these memberships, the Group collaborates with industry peers to address increasingly diverse challenges around environmental performance, compliance and efficiency within the food and beverage industry. These organisations also influence public policy and regulations relevant to the industry. BFood’s roles and involvement in this membership include identifying pressing environmental issues in climate change, water and waste and collaborating on solutions that drive improvement within the Group and throughout its supply chains. BFood continues to ensure consistency between its climate change policy and the position it advocates at trade associations of which it is a member. When opinions differ, the Group responds by identifying gaps and initiating a process that alerts the Group to new areas of good business practice.

BFood integrates climate-related risk management into the company-wide risk scorecard. It is part of the foundation in formulating the business strategy and deciding on future R&D and technology investments. BFood’s climate risk management process includes mitigation efforts to reduce greenhouse emissions, climate engineering and expanding climate system knowledge.

Inevitably, climate change affects operating costs (“OPEX”) and capital expenditure (“CAPEX”). Efficiency, output and performance of stores and equipment can decrease due to changing climate conditions. Additional CAPEX may be required due to asset damage or decreased asset performance. Further, complying with environmental regulations requires additional CAPEX for upgrading facilities or equipment to cope with increased pollution risks.

BFood is committed to addressing the issue of climate change and improving efficiency through adaptation by adopting new and green technology in its operations and supply chain management. Specifically, BFood has adopted a tracking system for emissions, energy use, water use and waste at all outlets, restaurants and stores.

The BFood management team, overseen by the Sustainability Department, devises strategies to manage and minimise BFood’s environmental footprint. The team presents progress reports and proposals on energy management, climate change and pollution reduction to the Board. **In FY2022, BFood invested RM4,120,752** on initiatives associated with climate change. These costs were spent on purchasing, replacing and installing LED light-saving lightbulbs, LED digital menu boards, community boards and signage.



Boards and signage can consume vast amounts of energy. BFood’s initiative to power its signage and boards with LED lights instead of neon and fluorescent lighting resulted in brighter image quality and a significantly reduced environmental footprint. The Group spent **RM8,489,101** over the past three years on an LED digital menu board, community board and LED signage, and on replacing old neon bulbs with LED alternatives.

	<p>The consolidation method in calculating BFood’s carbon footprint</p>	<p>Operational</p>
	<p>The organisational boundary in calculating BFood’s carbon footprint</p>	<p>Accounts for 100% of GHG emissions where BFood has the authority to implement operational policies</p>

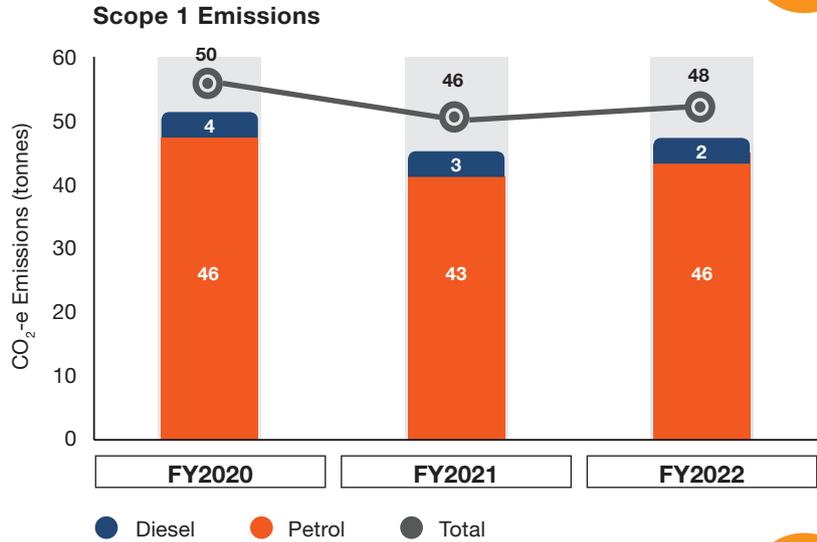
SUSTAINABILITY STATEMENT

SCOPE 1: COVERAGE: ENTIRE GROUP

100%



Petrol and diesel are used to power company-owned vehicles. BFood's backup generators also consume small amounts of diesel. CO₂ emissions from fuel consumption were derived from the emission factor published by the IPCC Guidelines for National Greenhouse Gas Inventories.

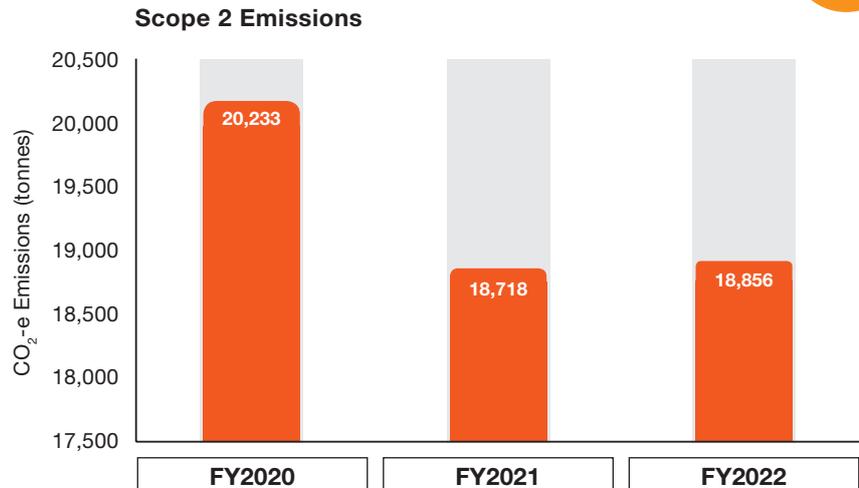


SCOPE 2: COVERAGE: ENTIRE GROUP

100%



BFood's operations consume considerable amounts of electricity. CO₂ emissions from electricity use are derived using the emission factor published by the Malaysian Green Technology Corporation for the Peninsular Grid.

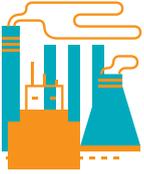


The newly-opened Starbucks Eco Grandeur Drive-Thru at Bandar Puncak Alam, Selangor.

SUSTAINABILITY STATEMENT

SCOPE 3: COVERAGE: ENTIRE GROUP (100%)

100%



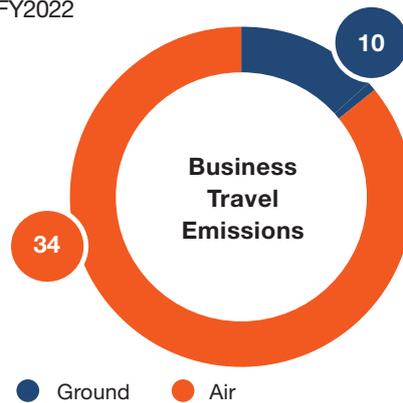
BUSINESS TRAVEL

GHG emissions from air travel were calculated point to point, including the number of employees on board and the distance travelled. BFood performed separate calculations for business and economy class flights. Online tools derived from the WRI Greenhouse Gas Protocol were used to calculate the CO₂ emissions from air travel.

Ground travel, comprising car, bus and boat journeys, was calculated using:

- The World Resources Institute (2015) GHG Protocol tool for mobile combustion, version 2.6.

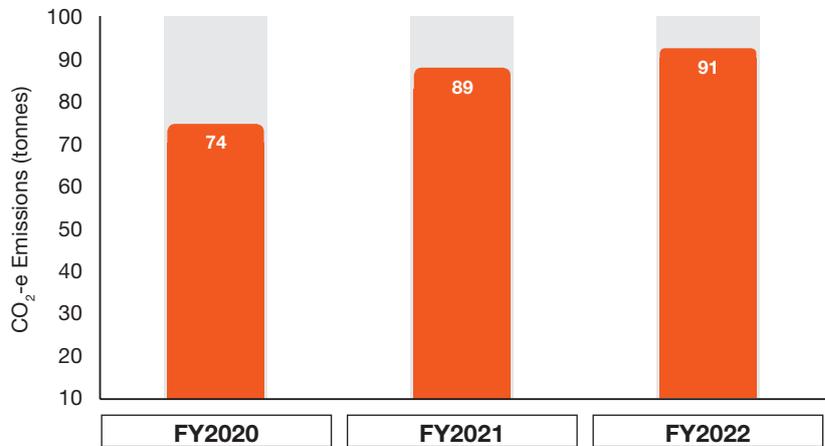
BFood’s business travel resulted in an estimated 44 tonnes of carbon dioxide equivalent in FY2022



EMPLOYEE-OWNED VEHICLES

BFood calculated the carbon dioxide equivalent resulting from employee-owned vehicles used for business travel. The calculation used fuel received for petrol and diesel engines. CO₂ emissions from fuel consumption were derived from the emission factor published by the IPCC Guidelines for National Greenhouse Gas Inventories.

Employee-Owned Vehicles



ENERGY USE



BFood commit to addressing energy use and efficiency. The Group reduces the use of unnecessary resources and implements new energy saving and emission reduction measures. BFood employs technological innovation and implementation to improve energy efficiency. BFood continued replacing traditional lighting with energy-saving LED and induction alternatives throughout the year.

BFood’s operations team inspects every store’s energy consumption and efficiency, periodically checking compressed air and refrigerant lines to reduce energy waste from ageing or leaking pipes.

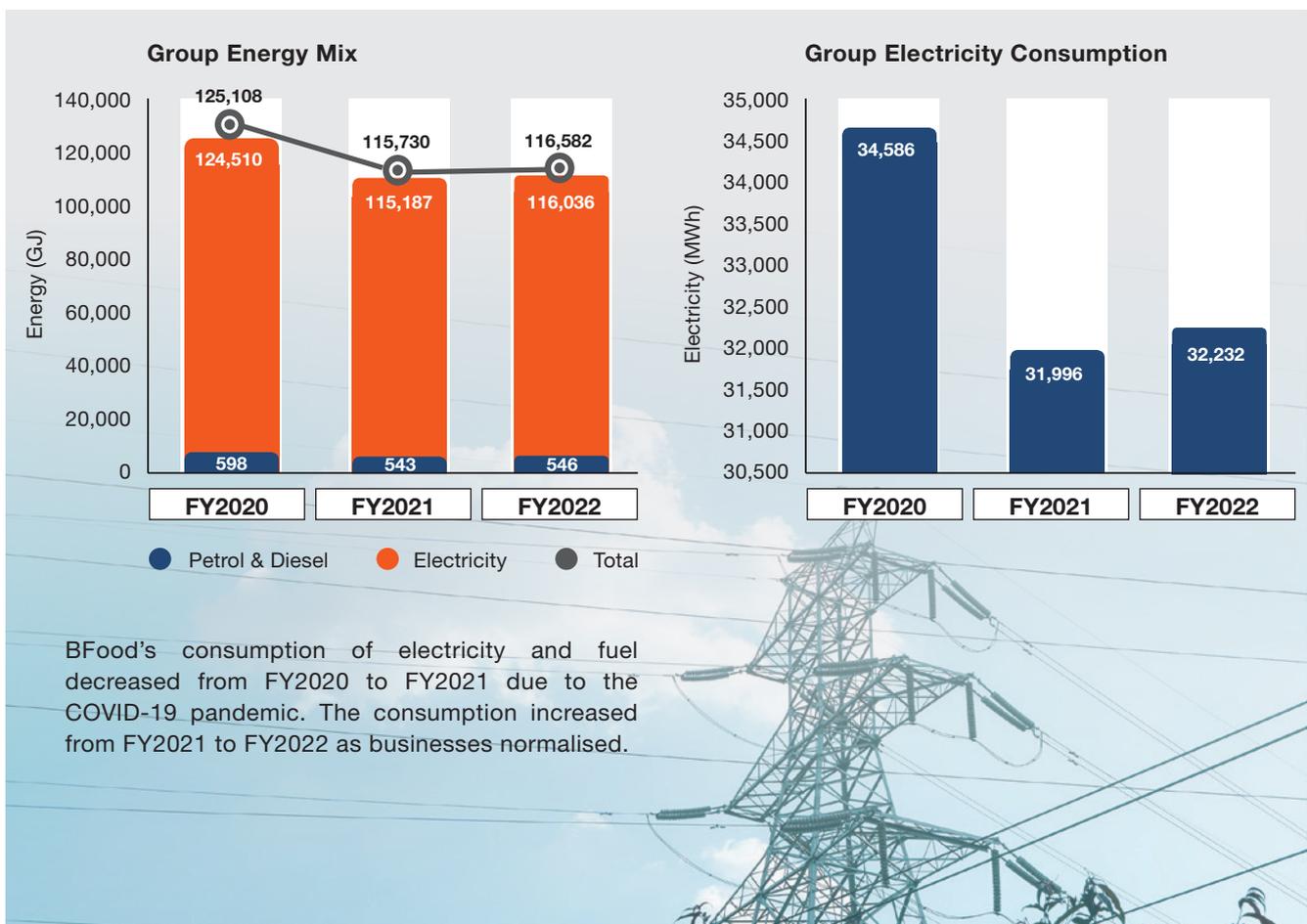
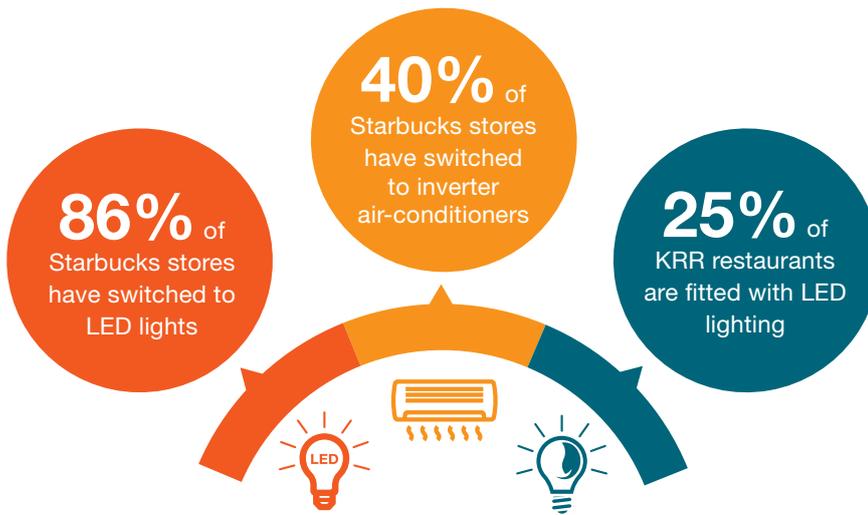
SUSTAINABILITY STATEMENT

THE IMPORTANCE OF MANAGING ENERGY USE AND EMISSIONS

Coffee beans’ profitability and production capacity face severe climate risks as yields can be directly affected by temperature increases, unstable precipitation and increases in pests in countries where these coffee beans are grown.

BFood understands the threat of climate change on business operations and remains committed to mitigating and adapting to its effects. BFood has implemented several brand-level energy conservation initiatives to manage its carbon footprint throughout its operations.

BFood is in the process of determining the reduction of expenses attributed from energy and water savings.

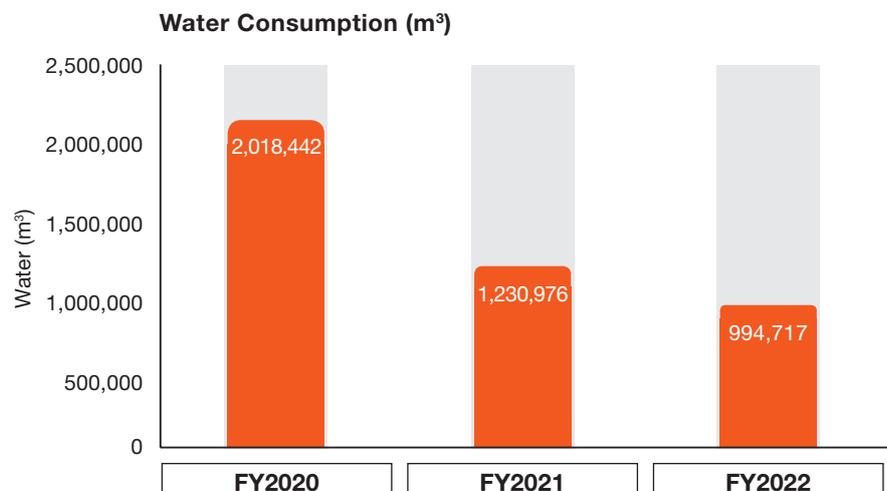


SUSTAINABILITY STATEMENT

WATER

BFood enforces the efficient and responsible use of water at all stores, outlets and restaurants in their day-to-day operations. The Group is also mindful when utilising water at each step of its value chain to avoid straining water supplies and rebalance the ecosystem. The Group also raises awareness of water conservation throughout store operations and examines innovative ways to minimise water usage in its stores.

BFood especially BStarbucks, reduced its water consumption by removing all “dipper wells” – the small bowls with continuous streams of water that clean spoons used for pouring milk into espresso drinks – and replaced them with auto-close water faucets. Starbucks stores installed efficient water fixtures for cleaning, which consume 15% less water than open taps.



MATERIALS

BStarbucks’ mission to inspire and nurture the human spirit extends beyond its customers, employees and operations. The Company conducts business responsibly, supporting its local communities from bean to cup.

Buying Coffee and Farmer Equity (“C.A.F.E.”) Practices coffee is the cornerstone of BStarbucks’ ethical sourcing approach. C.A.F.E Practices are one of the coffee industry’s first ethical sourcing standards, launched in 2004. This verification programme measures farms against economic, social and environmental criteria. These criteria promote transparent, profitable and sustainable coffee growing practices while protecting the well-being of coffee farmers and workers, their families and their communities.

This open-sourced programme consists of more than 200 indicators, including financial reporting, protecting workers’ rights and conserving water and biodiversity.

BStarbucks also insists on strict adherence to the following on its materials selections in compliance with Starbucks International:

Strictly Followed Materials Selection



Comply with Starbucks Conflict Minerals Policy Statement



Ensure the palm oil in products, raw materials and ingredients are ethically harvested and processed as outlined in Starbucks and Sustainable Palm Oil, where commercially viable



Follow humane practices for animals used in products, raw materials and ingredients if commercially viable

SUSTAINABILITY STATEMENT

POLLUTION AND WASTE CONTROL

BFood is committed to addressing pollution by identifying resources and generating waste of all types, avoiding impact, and improving efficiency, including:



Examining water and energy performance, which may be reduced or eliminated at source; or



Modifying processes, substituting materials, conservation, recycling and reusing materials where possible.

Adopting day-to-day operations that consume fewer resources helps reduce resource use and the cost of materials. BFood is committed to addressing its resource use and avoiding impact by using resources more efficiently and reducing the quantity and toxicity of generated waste.

WASTE

BFood addresses the issue arising from the volume of waste generated and recycles it whenever possible. The Group continues to promote initiatives from reducing waste, recycling and ensuring proper waste management to promoting waste sorting activities.

Waste generated at operations is typically solid and food waste, such as food and beverage containers. Various initiatives 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.

BRoasters sells its used cooking oil to a licensed third-party vendor who recycles it into biodiesel. Recycling cooking oil into biodiesel is a more environmentally-friendly alternative to other fossil fuels. Currently, petrol and diesel are the most common fossil fuels used in cars, which emit greenhouse gases such as carbon dioxide when combusted. However, biodiesel only releases water vapour and CO₂ due to its chemical makeup comprising organic compounds from vegetable or animal oils or fats. The following table presents BFood's total used cooking oil sold in the past three years. There is an increase total used cooking oil sold from FY2021 to FY2022 as businesses normalised.

	FY2020	FY2021	FY2022
Total used cooking oil sold (kg)	21,935	19,957	23,876

There have been no pollution or waste cases resulting in fines or penalties in BFood's history. Moving forward, BFood will continue to explore feasible waste and pollution reduction options.



There have been no pollution or waste cases resulting in fines or penalties in BFood's history.



Examples of Brand-Level Initiatives



- BStarbucks' "Bring Your Own Tumbler" programme rewards customers with a RM2 discount when they use their own Starbucks tumblers when purchasing handcrafted beverages at all Starbucks stores. 867,273 customers brought Starbucks tumblers for their drinks in FY2022.
- The Starbucks Upcycling Flavorlock™ programme rewards customers with a 10% discount for purchasing Starbucks whole bean coffee when they donate a used Starbucks Flavorlock Coffee Bag. BStarbucks collected 83,005 Flavorlock™ bags from its customers over the past three years.
- Various reusable and post-consumer recycled merchandise reduce single-use plastic, such as:
 - Reusable hot and cold cups, bags and loop straws.
 - Starbucks paper cards.
 - Replacing cold lids with sippy lids for all its iced beverages (except for Starbucks Frappuccino).
 - Replacing hot lids with alternatives with stoppers and reusable cup carriers made from 100% post-consumer recycled polyester.
 - Installing digitalised screens and menu boards to reduce printed marketing and promotion collaterals.

SUSTAINABILITY STATEMENT



BRoasters

- Replaced plastic bags with biodegradable alternatives for takeaway at all restaurants.
- Introduced the i.care bag to promote reuse behavior.
- Implemented digitalised screens and menu boards at all restaurants.



BJoybean

- Replaced plastic bags with biodegradable alternatives for takeaway food at all Joybean outlets.



Ser Vegano

- Uses biodegradable takeaway boxes made from renewable corn starch at all SALA outlets to reduce pollution and conserve a sustainable future.

STARBUCKS UPCYCLED FLAVORLOCK™ POUCH

BStarbucks introduced the Starbucks Upcycled Flavorlock™ Pouch in April 2021 in conjunction with the Global Recycling Day. BStarbucks channels RM1 to YWCA KL for every pouch purchased. This contribution supports the Vocational Training Opportunity Centre (VTOC), which designs curriculums that empower young girls and women from the B40 communities.

This programme positively impacts the planet while helping members of the B40 community improve their livelihoods through the VTOC Sewing and Tailoring course. VTOC helps these individuals earn income from their skills while increasing their entrepreneurial career potential.

INTRODUCING THE ALL-NEW STARBUCKS SUSTAINABLE TUMBLER

BStarbucks added a Sustainable Tumbler to its range of merchandise collections to celebrate its 50th Anniversary. This tumbler uses 30% less plastic on its outer cup while providing a high-performing beverage experience.

The tumbler is made from recycled coffee grounds and recycled polypropylene. As coffee grounds are added to the manufacturing process, these particulars may be noticeable to the touch. The organic, coarse appearance and texture make each vessel one of a kind.

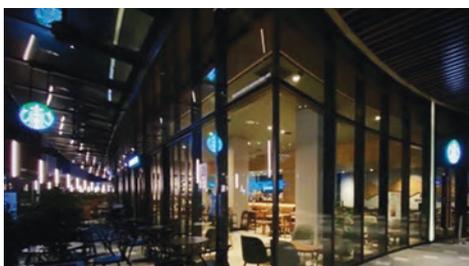


DID YOU KNOW?

BStarbucks' Grounds for Your Garden Programme provides complimentary 1-kg bags of soil-enriching used coffee grounds for customers to use in their gardens. Used coffee grounds make an excellent garden fertiliser and feed the soil with much-needed nutrients. In FY2022, 93% of Starbucks stores diverted 188,718 kg of used coffee grounds from landfills.



BFood companies managed their office waste by introducing collection stations in their respective offices, delivering the collected recyclable items to Berjaya Times Square on the third Friday of each month.



Starbucks store turned off its non-essential lights for Earth Hour.

ONE SPECIAL HOUR EVERY YEAR

Every year, BStarbucks and BRoasters stores join the global countdown to celebrate Earth Hour and take the iconic action of switching off the lights. 2022 marked BStarbucks' 14th year of supporting the Earth Hour movement. All stores across Malaysia turned off all non-essential lights in solidarity with the global commitment to the planet and recognising the importance of climate change.

SUSTAINABILITY STATEMENT



GROWING TOGETHER AS A FAMILY

BFood's care for their stakeholders is at the core of its purpose as a business focused on bringing customers joy through its products and services. The Group hopes to inspire people through its brands, bringing greater value to all its stakeholders.

EMPLOYMENT PRACTICES

BFood's people are the greatest asset and are critical for the long-term success of its business. All hiring practices are non-discriminatory, objective and solely based on merit. BFood has aligned its hiring practices with local laws and established a formal principle to prevent child, forced and compulsory labour across all brands. Learning and development are essential for employees to grow professionally.

The Group embraces fair employment standards. The Code of Conduct outlines stringent labour standards. Periodically, BFood participates in workshops or industry/topic-specific collaboration projects that improve industry solutions on labour standards in Malaysia. As part of the Group's risk assessment procedure and Whistleblowing policy, labour standards of existing and potential business and supply chain partners are reviewed periodically as part of due diligence. All parties are familiarised with our Code of Conduct from time to time.

Following the reopening of the workplace, BFood re-introduced various engagements, get-togethers and catch-up sessions, including festive celebrations, talks and casual hangouts. The Group also held a town hall meeting and celebrated long-service employees in an annual awards ceremony at each subsidiary company.



BStarbucks won three categories in Asia Pacific Enterprise Awards ("APEA") 2022: Master Entrepreneur, Inspirational Brand and Corporate Excellence for F&B.

SUSTAINABILITY STATEMENT

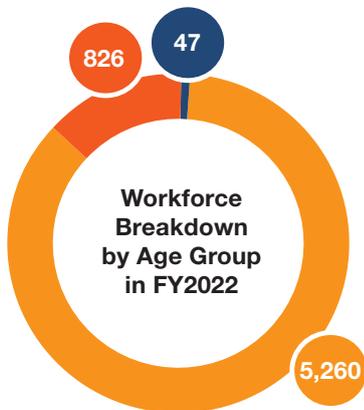
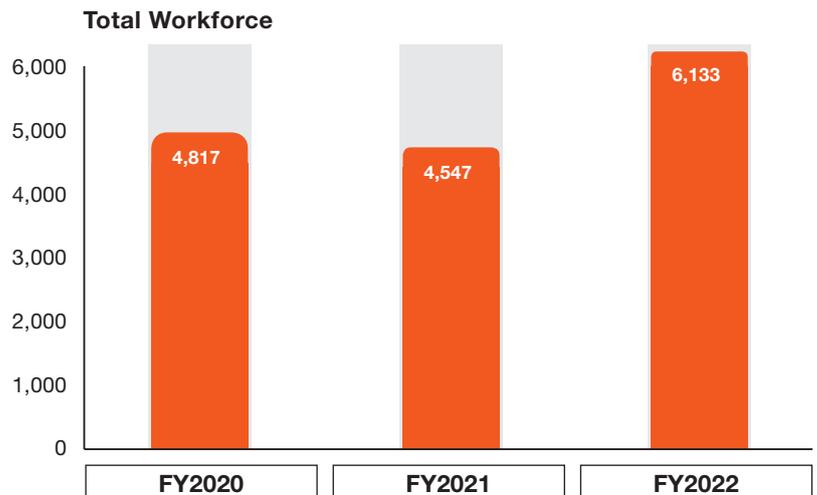
GRIEVANCE PROCEDURE

BFood takes every opportunity to ensure that it provides a positive working environment free from harassment and discrimination. Unfortunately, it is impossible to prevent these isolated incidents from occurring entirely. BFood has introduced grievance channels to allow employees to report alleged incidents of harassment and discrimination.

Employees can raise their grievances to their immediate superiors to identify a possible resolution informally. The employee can escalate the case to the formal grievance procedure if the matter is unresolved.

BFOOD'S INCLUSIVE AND DIVERSE FAMILY

A solid commitment to diversity demonstrates an exceptional work environment where each employee's contribution is valued, and all employees have every chance to succeed. Employing 6,133 people in FY2022, BFood values the differences and diversity of opinions, employee skills and experience. Diversity drives growth sustainably.

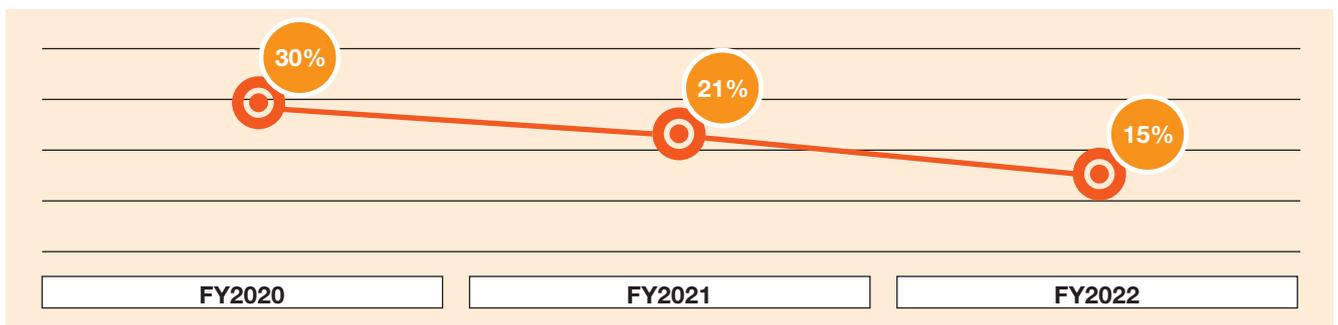


● <30 years old
 ● 30-50 years old
 ● >50 years old

● Male
 ● Female

● Bumiputera
 ● Chinese
 ● Indian
 ● Others

Employees Turnover Rates (%)



SUSTAINABILITY STATEMENT

BFood has established policies and guidelines to promote organisational diversity and protect employees at all levels. BFood has zero tolerance for discrimination due to characteristics of a person or a group regarding race, colour, ethnicity, national origin, religion, age, sexual orientation, gender or gender identity, disability and any other legally protected status. This policy applies to all Company activities, including recruitment, hiring, compensation, benefits, secondment or transfer, training, promotion, discipline and discharge.

BFood has integrated the UNSDGs as part of its human resource strategy to drive the Group towards the sustainable goal of gender equality. The Group provides similar compensation for male and female employees with a ratio of 1:1.

PROMISE OF DISABILITY INCLUSION



BStarbucks deaf employees communicating with each other.

BFood strives to create a more inclusive workplace values all employees for their strengths. It offers employees with disabilities an equal opportunity to succeed, learn, be compensated fairly and advance. BFood has 25 disabled employees (0.467%) whom the Group values.

ADDRESSING WORK-LIFE BALANCE CHALLENGES OF WORKING



BStarbucks organised regular physical activities for its employees to maintain a healthy state of mind and body.

To comply with the Government COVID-19 guidelines, BFood relaxed its working arrangements and offered work-from-home options to its employees.

A PLACE DEDICATED TO PEOPLE UNITED BY SIGN LANGUAGE AND DEAF CULTURE



Exclusive Starbucks 5th Anniversary merchandise series.

Collaborating with The Society of Interpreters for the Deaf ("SID"), BStarbucks piloted a store model that became a first-of-its-kind for Starbucks globally. Launched on 20 July 2016, Bangsar Village 2 became the inaugural site for this world's first Starbucks Signing store due to its proximity to nearby deaf communities and public transportation. The store celebrated its 5th Anniversary in FY2022 with a series of quizzes on its social media platform and launched an anniversary merchandise series and exclusive anniversary Starbucks card.

The hearing store manager mentors new deaf baristas during on-job training, or the deaf employees guide the new deaf employees on SOPs and follow the training plan. All the store's staff are certified by Starbucks's Coffee Master programme, with some obtaining the Advanced Coffee Masters qualification. Through this SID collaboration, professional interpreters involved in designing training programmes help ensure all coffee terms are standardised and understandable by deaf and hard of hearing employees. Currently, there are more than six Starbucks Signing stores, globally.

SUSTAINABILITY STATEMENT

EMPLOYEE BENEFITS

All BFood employees receive medical insurance and healthcare benefits and are entitled to annual paid leave, parental leave and statutory retirement provision. Other benefits include a sale incentive scheme, referral benefits, transport reimbursements, recreation activities, parental benefit-related gifts, overtime allowances and service awards. BFood’s benefits schedules comply with local laws and applicable regulations.

BFood upholds its stand of equal pay for equal work and complies with all local laws. The Group’s principles contain a provision for respecting equal remuneration for work of equal value, including when setting different minimum wages.

Succession Planning

Succession planning is one of the most crucial talent management functions for BFood business as providing training and development to employees enhances productivity and sustainability by identifying talent for strategic roles.

Berjaya selected three BRoasters candidates to attend its Berjaya Executive Development Programme (“BEDP”). Most graduates of this career development programme organised by Berjaya have become effective leaders in their various functions.

TRAINING AND DEVELOPMENT

BFood is committed to personal and professional training and development, which are instrumental in increasing organisational output and raising staff competencies. The Group offers various training opportunities to develop their technical and management skills.

Retaining talent is very important in the business because it creates a secure environment and helps to reduce turnover rates and its related costs.

How training matters to sustainability

	<p>Re-training to upgrade specific skills</p>	<ul style="list-style-type: none"> • Food handler course • Good catering practice • Preventive maintenance • Barista basics training programme • Ongoing promotions
	<p>Technical skills training</p>	<ul style="list-style-type: none"> • The art of negotiation • Halal compliance • Store Manager and District Manager Competencies • How to conduct a domestic inquiry
	<p>Management skills training</p>	<ul style="list-style-type: none"> • Business English communication programme • Discover transformational future leaders • Total quality management • Senior leader management

BStarbucks ensures its baristas are the most knowledgeable in the coffee industry by providing ongoing learning opportunities.



BStarbucks employees attending technical skills training.

SUSTAINABILITY STATEMENT

Initiatives That Promote Coffee Education



TRAINING RECORD AT A GLANCE

	FY2022
Total hours	178,875
Average hours of training per year per employee	33
Average days of training per year per employee	4.125



BStarbucks implements measures to prevent and manage COVID-19 by ensuring employees to wear a face mask when working in the store.

SAFETY AND HEALTH AT WORK

BFood strive to achieve zero injuries in the workplace. Employees and suppliers receive training that focuses on safeguarding health and safety, complying with policies and procedures, adopting additional safety measures and promoting appropriate prevention behaviours across all organisational levels and roles.

The following safety measures are compulsory at every restaurant, outlet and store:

- Hazard communication programme
- Material Safety Data Sheets (“MSDS”) for all chemicals on the premises

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

SUSTAINABILITY STATEMENT

BFood Safety and Health Commitment



Employers commitment

- Provide and maintain 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



Employees commitment

- 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 equipments, 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



HUMAN RIGHTS

BFood focuses on its entire value chain in its work to ensure respect for human rights which is a fundamental principle in business operations. This process involves embedding human rights in policies, activities and training courses for every business function. The United Nations Guiding Principles on Business and Human Rights (“UNGP”), BFood’s Code of Conduct and Human Rights policy guide the Group in these efforts to ensure the sustainability of the business.

Good governance ensures equality and prevents human rights violations of individuals, internally and externally.



SUSTAINABILITY STATEMENT

BFood adheres to all applicable employment and human rights regulations where operations are based and expects all suppliers to do the same. All companies under the Group and contractors must adhere to the following principles.

-  Provides a safe and healthy workplace for employees, free from discrimination and harassment
-  Respecting and protecting the rights of indigenous people
-  Supports freedom of association and the rights of workers and employers to bargain collectively
-  Foreign or migrant workers must be employed in full compliance with the labour and immigration laws
-  Does not use child, forced, prison, indentured, bonded or involuntary labour
-  Prohibits discrimination in the hiring and employment practices irregardless of gender, race, religion, age, disabilities and nationalities
-  Prohibits physical abuse and the harassment of associates, as well as threats of either

In a work situation, limited overtime will be necessary on occasion. Superiors and heads of department are responsible for making every effort to avoid the need for overtime work by the personnel under their jurisdiction. The duty managers must approve all overtime work and keep daily, accurate records of the time worked by employees.

BFood supports children's rights through its anti-child labour practices. The Group also addresses children's rights by advocating their rights, especially their right to education. BStarbucks' collaboration with HOPE Worldwide includes reaching out activities to children to ensure they have access to education and quality learning opportunities. BFood advocates the practices issued by the Children's Rights and Business Principles.

BFood's formal mechanism allows individuals and communities to raise grievances, if business activities affect them. BFood's Whistleblowing channel guarantees anonymity and is available to internal and external stakeholders. The Group commits to the remediation process to address adverse human rights impacts it has contributed to or caused. Managers of all levels are trained in handling reports and instances of bullying, harassment, bribery, financial irregularity and other offences.

The Group recorded no human rights incidents during this reporting period.



A HOPE Worldwide volunteer guides a child in learning English through engaging reading exercises and games.

“
The Group recorded no human rights incidents during this reporting period.
”

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Adhering to the Malaysian law, BFood respects the rights of all employees to:



- Freedom of association to form and join trade unions of their choice;
- Bargain collectively; and
- Engage in peaceful assembly as well as respect the right of employees to refrain from such activities.

Employees or their representatives can openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment.

BFood follows the Industrial Relations Act 1967, respects local laws that protect workers' rights and allows them to bargain collectively in the context of the International Labour Organisation (“ILO”) standards. All employees and workers are free to join any of their choices. The Group will support them in addressing any raised issues.

The Group's Whistleblowing channel also serves as a mechanism to allow employee representatives to engage with the management.

SUSTAINABILITY STATEMENT



PRODUCT RESPONSIBILITY

Customer-focused, trained and talented employees and internationally recognised food safety management systems are a testament to the Group’s dedication to quality excellence.

As part of the Group’s efforts to address poor nutrition and promote better nutrition, BFood continues to expand its menu with environmentally- and socially-friendly food and beverage choices at attractive prices. Across its brands, BFood responsibly sources, prepares and serves all food and beverages from farm to table. BFood does not offer processed food and has set a strategy with targets and goals to improve access to better nutrition, including:



QUALITY FOOD AND DRINKS

Operating in the F&B industry, BFood dedicates significant resources to ensuring that its products are healthy and safe for consumption. Any product mismanagement can result in a loss of reputation, financial penalties and a possible product safety law breach. Each brand has customised Food Safety and Product Quality Standards that detail standard operating procedures for preparation, handling, storing and serving. This year, BFood upgraded its food quality and assurance system by implementing the Food Safety Assessment (“FSA”). This retail food safety programme assesses food safety principles and controls, including behaviour, temperature, pest and contamination. The identified risks are categorised as critical, major and minor. BFood performs these assessments regularly.

SUSTAINABILITY STATEMENT

BFood improved its efficiency by improving the inventory management system of stores and warehouses during this financial year. BFood ensures that the quality and safety of its food and beverages comply with local laws and meet customers' expectations. The following below illustrates how this promise is delivered.

BRoasters

BRoasters stays true to its deliciously offering rotisserie roasted chicken as well as crispy chicken cooked to a golden perfection served with a wide variety of side dishes. BRoasters prepares food according to the recipe card and conducts a monthly Operations Excellent Restaurant Audit ("OERA"). Every restaurant is also subjected to semi-annual Good Catering Practice ("GCP") audit.



BStarbucks

BStarbucks only partners with food service professionals who share a passion for great coffee and quality customer service. Loyal customers constantly return to Starbucks because they know they will receive friendly, attentive service and quality coffee recommendations.



BJoybean

Jollibean's high-pressure soy milk extracting machine and high-quality soybeans are central to its success, allowing each outlet to produce fresh soy milk.



Ser Vegano

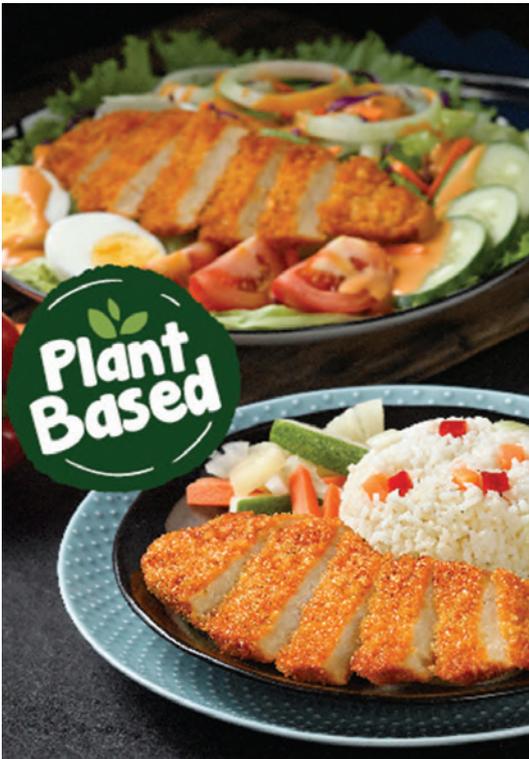
SALA meals contain only plant-based ingredients, which have fewer calories, less cholesterol, and are higher in clean protein.



DID YOU KNOW

BStarbucks has received more than 15 Starbucks Regional and Global Awards in the past six years. BStarbucks received three awards in FY2021 and six awards in FY2022. These awards recognise BStarbucks excellent achievements in Sales, Quality Assurance and Corporate Social Responsibility.

SUSTAINABILITY STATEMENT



BRoasters introduced their new plant-based meat selections.

PROMOTING PLANT-BASED FOODS FOR HEALTH, ENVIRONMENT AND SUSTAINABILITY

Supporting the shift towards a flexitarian diet is central to BFood’s purpose of serving the world with better food. A switch to a ‘planetary health diet’ with a higher proportion of plant-based options provides the growing population with healthy, nutritious food whilst remaining within safe environmental limits. Based on International Livestock Research Institute, meat production places an enormous strain on the environment due to the greenhouse gases they emit.

BFood’s partnership with a homegrown natural foods specialist offers healthy bread and food in BStarbucks stores and BRoasters restaurants. Its latest vegan Texas-Mexican restaurant also taps into the vegan segment of the F&B industry.

The demand for plant-based food and beverage alternatives continues to rise as more people embrace veganism, vegetarianism, or flexitarian diets to improve their health and well-being. Joybean offers a 100% plant-based menu. Joybean Soymilk is free from hormones, contains no added oil, preservatives or colouring, and guarantees 100% non-GMO Canadian soybeans.



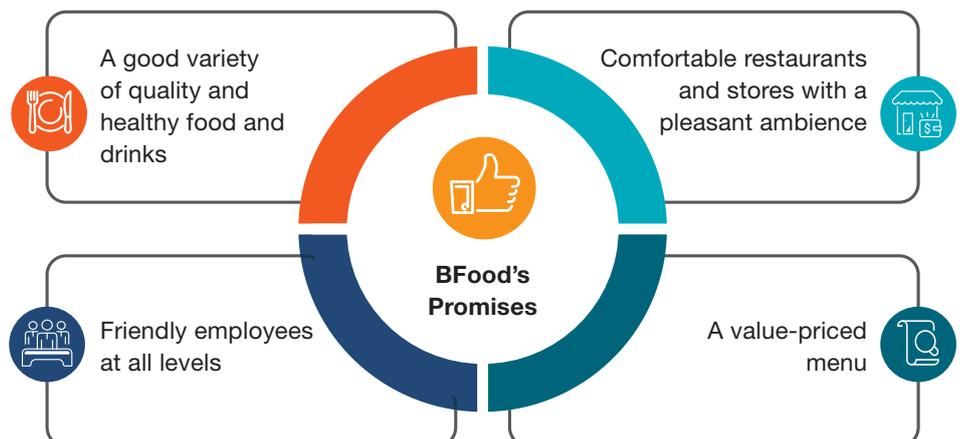
DISCOVER THE JOY OF PLANT-BASED PROTEIN!

Joybean’s signature products are freshly-made ‘Joybean’ soy milk using Grade A, non-genetically modified organism (non-GMO), identity-preserved (IP) Canadian soybeans to ensure the highest quality of its product each time.

BStarbucks built on its sustainability commitment to become more resource-positive by expanding its plant-based choices by allowing customers to customise their beverages with plant-based whipped cream. BStarbucks joined forces with Beyond Meat, a producer of plant-based substitutes, starting September 2021. The Company introduced the Beyond Meat Spiral Curry Puff, a reimagination of Malaysia’s all-time favourite snack, for the first time in all stores in Malaysia.

LEAVING A TASTEFUL HISTORY TO ALL CUSTOMERS

To retain customer loyalty, BFood identified convenience, experience and personalisation as critical trends. BFood brands do not differentiate purely on price to remain attractive. All brands communicate and interact with customers by driving a seamless experience across all channels.



SUSTAINABILITY STATEMENT



CORPORATE SOCIAL RESPONSIBILITY

BFood CSR contributions concentrated more in activities and benefits-in-kind. BFood encourages its people to be part of its social journey by facilitating employees engagement and involvement with charitable partners.

The Group is establishing a specific structure for facilitating employee engagement. Every third Wednesday of the month, BStarbucks invites employees to be part of the Company's Zero Hunger Programme.

Held every April, Starbucks Global Month of Good brings employees and other stakeholders together to create a positive change in the communities that they serve by holding local service events. The group recognises employee engagement as one of the sustainability efforts that can result in a positive impact on business performance.



MY AMCHAM CARES CERTIFICATE OF RECOGNITION FOR EXCELLENCE

BStarbucks received the MY AMCHAM (American Malaysian Chamber of Commerce) Cares Certificate of Recognition for Excellence in CSR for the Champion Achievers category. This award recognises companies' outstanding CSR achievements and it was the fourth consecutive year BStarbucks received this recognition.



BRoasters distribute delicious and wholesome meals to struggling families.

STEPPING OUT TO HELP THE "WHITE FLAG"

WORK

BStarbucks collaborated with HOPE Worldwide in response to the White Flag Movement (#BenderaPutih) in September 2021 and raised RM70,722 to help those desperate for food provisions and necessities. The collaboration directly benefited 615 families in Malaysia, including existing HOPE Worldwide beneficiaries of the monthly Food Distribution Programme, families in financial crisis, low-income families (B40) and marginalised communities affected by COVID-19 and the recent floods in the Klang Valley, Penang, Ipoh and Bukit Tinggi. On 22 January 2022, 30 BStarbucks employees volunteered in the food distribution programme, benefiting 200 low-income families.

BRoasters collaborated with FoodPanda to distribute delicious and wholesome meals to struggling families. Volunteers distributed more than 100 meal packs of meals worth over RM1,600. The Company also gave 600 T-shirts to underprivileged children at various homes namely Pertubuhan Kebajikan Kanak-kanak Yatim dan Cacat Perlindungan Selangor, Pertubuhan Kebajikan Anak Anak Yatim & OKU Mesra, KLT-HY Home & Rumah Titian Kaseh.

SUSTAINABILITY STATEMENT



CHINESE NEW YEAR CHEER WITH THE UNDERPRIVILEGED

BStarbucks shared the joy of the Chinese New Year festive with three homes in February 2022: Rumah Victory Children (KL), Rumah Kanak-Kanak Angels (KL) and OpenHands Fellowships (Kajang). The Company treated residents at these homes with Kenny Rogers meals.



STARBUCKS GLOBAL MONTH OF GOOD

The Starbucks Global Month of Good is held every year in April. The programme unites employees, customers, non-profit organisations, civic leaders, business partners and the public. As participants, they dedicate their time to creating a positive and meaningful change in the communities they serve by holding local service events.

As part of the latest programme, BStarbucks announced the collaboration of Starbucks and YWCA Vocational Training Opportunity Centre (“VTOC”) Transformational Programme. Through digital transformation, the programme builds a collaborative and powerful community of emerging women. The programme provides training with support and guidance towards achieving financial independence. A total of RM374,400 was channelled from the Starbucks Foundation to support this programme.



ESSENTIAL GOODS DISTRIBUTION

BStarbucks and His Royal Highness, the Crown Prince of Perlis, cycled around Perlis to kickstart its outreach programme. The Company donated RM7,000 to three needy families, a socio-economic store and an Islamic Religious Council of Perlis. Nine underprivileged families also received care packs containing essential food and goods.



STARBUCKS ZERO HUNGER PROGRAMME

BStarbucks worked with The Lost Food Project (“TLFP”), a Malaysian not-for-profit organisation which prevents quality, nutritious food and other surplus goods from going to landfill. TLFP redistributes this food and other essential items to those in need.

For FY2022, BStarbucks raised RM5500 for TLFP to distribute essential food items for 55 poor urban families whose livelihood had been adversely affected by Covid-19 in Taman Seri Sentosa, Kuala Lumpur.

SUSTAINABILITY STATEMENT

STARBUCKS COVID-19 CONTRIBUTIONS

BStarbucks continued to raise funds throughout this year for communities in need, especially those affected by the pandemic and natural disasters. The Company collected RM8,300 in FY2022.

In June 2021, BStarbucks collaborated with Malaysia Red Crescent Society (“MRCS”) #responsMalaysia Covid-19 Fund. As part of this programme, BStarbucks contributed funds to help mobilise MRCS ambulances for three months due to the rise of COVID-19.

BStarbucks collaborated with HOPE Worldwide in September 2021. Responding to the White Flag Movement (#BenderaPutih), the Company helped families in desperate need of food and necessities. Two hundred and five families benefited from this programme, particularly those in financial crisis, with low incomes (B40) and marginalised.

The challenging COVID-19 pandemic placed significant pressure on the healthcare system. Frontliners and other healthcare workers devoted their time and energy to containing the pandemic. BStarbucks appreciates their efforts and sponsored more than 4,000 cups of freshly brewed coffee for various hospitals and vaccination centres, including Hospital Kajang and Pusat Perubatan Universiti Malaya.



STARBUCKS WALL OF GRATITUDE

Starbucks' Wall of Gratitude, located at Tropicana Gardens Starbucks Reserve, celebrates the valiant efforts and resiliency of frontliners and essential workers who continue to fight the pandemic.



WE LOVE YOU BOX

BFT has donated RM11,800 worth of Joybean products to WE LOVE YOU BOX which is a care package for 1,200 medical frontliners in Hospital Sungai Buluh.



FLOOD RELIEF CONTRIBUTION

Malaysia was hit by one of the worst floods in history in December 2021 and early January 2022.

BStarbucks partnered with other organisations on its flood relief movement, including Hope Selangor, Persatuan Kebajikan Anak Kami, Our Journey, Taman Budaya Orang Asli Mahmeri and Kembara Kitchen. BStarbucks invited its employees to donate used clothes, essential foods, mineral water, toiletries, mats and mattresses. Collected items were transported and distributed to affected areas.

“ Business sustainability at BFood has come a long way, from stewardship, community collaboration and socially conscious business practices. However, sustainability is still an ongoing journey.

The management and BFood family, including partners, are committed to learning and constantly adapting to changing circumstances, managing stakeholders' expectations and addressing global challenges.

The Group's sustainability plan will examine future value creation by formalising benchmarks, setting targets and measuring the impact of each BFood brand.

The Group hopes these measures will increase shareholder value.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Berjaya Food Berhad (“the Company”) recognises the importance of corporate governance towards promoting business growth and corporate accountability to protect and enhance shareholders’ value as well as the interest of the Company.

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

The Board takes note of the updates on the MCCG issued by the Securities Commission Malaysia which became effective on 28 April 2021. The MCCG introduces new practices and additional guidance to strengthen the CG culture of Public Listed Companies.

This CG Overview Statement provides a summary of the CG practices of the Company for the financial year ended 30 June 2022 (“FYE 2022”) 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:-

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

This CG Overview Statement 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 2022 (“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 2022. The Board is satisfied that the Company has substantially complied with the MCCG throughout the FYE 2022 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 two (2) Non-Independent Non-Executive Directors on the Board also help to provide views and contributions from a different perspective as they are not involved in the day to day operations of the Group.

Board 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 Committee; and
- (v) Sustainability Committee.

Each of the Board Committee operates within its respective terms of reference ("TOR") that also clearly define its respective functions and authorities. The TOR of the respective Board Committees are periodically reviewed by the Board 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.

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 under the Companies Act 2016. The Company Secretaries play an important role in facilitating the overall compliance with the Companies Act 2016, the Main Market Listing Requirements of Bursa Securities and other relevant laws and regulations. The Company Secretaries also advised the Board on adoption of corporate governance 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 which provides reference for Company Secretaries in the discharge of their duties.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 enable 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.

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, T.R.U.S.T Concept

The Board has the following in place:-

(a) Board Charter

The Board has adopted a Board Charter to promote the standards of corporate governance and clarifies, 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 11 May 2022 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 corporate governance and to promote ethical conduct of the Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(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 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/.

(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 also serves as an avenue to safeguard against the acts of bribery and corruption pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The 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 : Top Level Commitment;

Principle II : Risk Management Assessment;

Principle III : Undertake Control Measures;

Principle IV : Systematic Review, Monitoring and Enforcement; and

Principle V : Training and Communication.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

Sustainability Strategies

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

The Group strives to achieve a long-term sustainability balance between meeting its business goals, preserving the environment to sustain the ecosystem and improving the welfare of its employees and the communities in which it operates. The Group 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.

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

The present composition of the Board is in compliance with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities which requires at least one third (1/3) of its members to be Independent Directors. In addition, the Board composition is also in compliance with the requirement under Practice 5.2 of the MCCG which states that at least half of the Board members comprises Independent Directors.

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

Boardroom Diversity

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

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

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

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

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

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

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

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 2022, the Board met six (6) 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 #	6/6
Dato' Sydney Lawrance Quays	6/6
Tan Thiam Chai	6/6
Datuk Zainun Aishah Binti Ahmad #	6/6
Dato' (Dr) Mustapha Bin Abd Hamid #	6/6
Chryseis Tan Sheik Ling	5/6

Note:

Independent Non-Executive Director

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

The Directors are mindful that they should continually attend seminars and courses to keep themselves abreast with the latest economic and corporate developments as well as new regulations and statutory requirements.

The Board and/or the Directors individually, are also encouraged to evaluate their own training needs on a continuous basis and to 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 is also regularly updated by the Company Secretaries on the latest update/amendments to the relevant regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

During the FYE 30 June 2022, the training programmes, seminars, conferences and webinars attended by the Directors were as follows:-

Directors	Training Programmes/ Seminars/ Conferences/ Forum/ Webinars
Dato' Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin	- Board Management Software Solution Training for Directors - Cyber Security: What Directors Need to know
Dato' Sydney Lawrance Quays	- Board Management Software Solution Training for Directors - Cyber Security: What Directors Need to know
Tan Thiam Chai	- Board Management Software Solution Training for Directors - Taxation Principal and Concepts for Directors
Chryseis Tan Sheik Ling	- Board Management Software Solution Training for Directors - Practical Forensics Investigation
Datuk Zainun Aishah Binti Ahmad	- Board Management Software Solution Training for Directors - Conduct of Directors and Common Breaches of Listing Requirement - Cyber Security: What Directors Need to know
Dato' (Dr) Mustapha Bin Abd Hamid	- Board Management Software Solution Training for Directors - Conduct of Directors and Common Breaches of Listing Requirement - Cyber Security: What Directors Need to know - Securities Commission: Guideline on Conduct of Directors of Listed Corporations and Their Subsidiaries

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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:-

Datuk Zainun Aishah Binti Ahmad - Chairman/Senior Independent Non-Executive Director

Dato' (Dr) Mustapha Bin Abd Hamid - Member/Independent Non-Executive Director

Tan Thiam Chai - Member/Non-Independent Non-Executive Director

Dato' Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin has ceased as a committee member of Nomination Committee on 10 February 2022 so as to comply with Practice 1.4 of the MCCG, which states that the Chairman of the Board should not be a member of Nomination Committee.

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

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

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

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 Corporate Governance 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.

During the FYE 2022, the Nomination Committee has carried out the following activities:-

- (i) Recommended to the Board the resignation of Board Chairman as a member of Audit and Risk Management Committee, Nomination Committee and Remuneration Committee;
- (ii) Reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board;
- (iii) Reviewed and assessed the performance of each individual Director, independence of the Independent Directors, effectiveness of the Board and Board Committees;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- (iv) Reviewed the performance of the Audit and Risk Management Committee and its members;
- (v) Reviewed the financial literacy assessment for each of the Audit and Risk Management Committee members;
- (vi) Recommended to the Board the re-election of Directors who are due for retirement by rotation for shareholders' approval at the forthcoming Annual General Meeting ("AGM"); and
- (vii) Recommended to the Board the retention of Independent Directors for shareholders' approval at the forthcoming AGM.

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 Thirteenth AGM, the Retiring Directors who will retire by rotation and eligible for re-election pursuant to Clause 117 of the Company's Constitution are Datuk Zainun Aishah Binti Ahmad and Tan Thiam Chai ("Retiring Directors").

The Board through the Nomination Committee ("NC") had undertaken an annual assessment and evaluation on the Retiring Directors pursuant to the Company's Constitution. Based on the assessment conducted, the NC was satisfied with the performance and contribution of the Retiring Directors and the NC had accordingly recommended to the Board for re-election of the Retiring Directors. The Board has endorsed the NC's recommendation and support the re-election of Retiring Directors at the forthcoming Thirteenth AGM.

The information of the Retiring Directors are set out on in the Profile of Directors in the Company's 2022 Annual Report.

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.

Datuk Zainun Aishah Binti Ahmad and Dato' (Dr) Mustapha Bin Abd Hamid were appointed as the Independent Non-Executive Directors of the Company on 20 May 2010 and they have therefore served the Company as the Independent Directors for a cumulative term of more than twelve (12) years at the end of the financial year end.

The Nomination Committee (save for Datuk Zainun Aishah Binti Ahmad and Dato' (Dr) Mustapha Bin Abd Hamid who have abstained from deliberation on their own retention) had assessed the independence of Datuk Zainun Aishah Binti Ahmad and Dato' (Dr) Mustapha Bin Abd Hamid for the FYE 30 June 2022 based on criteria set out in the Main Market Listing Requirements of Bursa Securities. The Nomination Committee concluded that Datuk Zainun Aishah Binti Ahmad and Dato' (Dr) Mustapha Bin Abd Hamid have satisfied the independence criteria and each of them is able to provide independent judgment and act in the best interest of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(a) Datuk Zainun Aishah Binti Ahmad

- (i) she has fulfilled the criteria under the definition of Independent Director as set out in the Main Market Listing Requirements of Bursa Securities, and being independent, she would be able to function as a check and balance and give an independent opinion to the Board;
- (ii) she has been with the Company for more than twelve (12) years and was familiar with the food and beverage business and operations of the Company;
- (iii) she remains objective and independent in expressing her views and participating in deliberations and decision making process of the Board and Board Committees. The length of her services on the Board does not in any way interfere with her exercise of independent judgment and ability to act in good faith and in the best interests of the Company and shareholders; and
- (iv) she has brought gender diversity to the Board and has exercised due care during her tenure as an Independent Non-Executive Director as well as the Chairman of Audit and Risk Management Committee, Nomination Committee and Sustainability Committee and she has carried out her professional duties proficiently in the interests of the Company and the shareholders.

(b) Dato' (Dr) Mustapha Bin Abd Hamid

- (i) he has fulfilled the criteria under the definition of Independent Director as set out in the Main Market Listing Requirements of Bursa Securities, and being independent, he would be able to function as a check and balance and give an independent opinion to the Board;
- (ii) he has been with the Company for more than twelve (12) years and was familiar with the food and beverage business and operations of the Company;
- (iii) he remains objective and independent in expressing his views and participating in deliberations and decision making process of the Board and Board Committees. The length of his services on the Board does not in any way interfere with his exercise of independent judgment and ability to act in good faith and in the best interests of the Company and shareholders; and
- (iv) he has exercised due care during his tenure as an Independent Non-Executive Director as well as the Chairman of Remuneration Committee and he has carried out his professional duties proficiently in the interests of the Company and the shareholders.

The Board takes cognizance of the recommendation of the MCGG which states that if the Board continues to retain an Independent Director beyond nine (9) years, the Board should provide justifications and seek annual shareholders' approval through a two-tier voting process.

However, the Company will seek approval of shareholders through a single tier voting process for the ordinary resolutions to retain both, Datuk Zainun Aishah Binti Ahmad and Dato' (Dr) Mustapha Bin Abd Hamid, who had served the Company for more than twelve (12) years at the forthcoming AGM. This is in line with the general rule on voting as provided in the Companies Act 2016 which states that every shareholder has one vote for every share he holds and resolutions are to be passed by a simple majority for ordinary resolutions and 75% of votes for special resolutions through a single tier voting process.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in its decision making process. The presence of the Independent Non-Executive Directors is essential in providing unbiased and impartial opinion, advice and judgment to ensure the interests of the Group, shareholders, employees, customers and other stakeholders in which the Group conducts its businesses are well represented and taken into account.

The Board, through the Nomination Committee, has assessed the independence of its Independent Non-Executive Directors namely, Dato' Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin, Datuk Zainun Aishah Binti Ahmad and Dato' (Dr) Mustapha Bin Abd Hamid on an annual basis based on criteria set out in the Main Market Listing Requirements of Bursa Securities.

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

Remuneration Policies and Procedures

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

Dato' (Dr) Mustapha Bin Abd Hamid - Chairman/Independent Non-Executive Director

Datuk Zainun Aishah Binti Ahmad - Member/Independent Non-Executive Director

Tan Thiam Chai - Member/Non-Independent Non-Executive Director

Dato' Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin has ceased as a committee member of Remuneration Committee on 10 February 2022 so as to comply with Practice 1.4 of the MCGG, which states that the Chairman of the Board should not be a member of Remuneration Committee.

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 2022 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	-	-	148,878	36,000	-	23,111	207,989
Non-Executive Directors							
Dato' Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin	60,000	313,500	-	50,000	-	42,923	466,423
Datuk Zainun Aishah Binti Ahmad	60,000	15,900	-	-	-	-	75,900
Dato' (Dr) Mustapha Bin Abd Hamid	60,000	12,900	-	-	-	-	72,900
Tan Thiam Chai	-	-	-	-	-	-	-
Chryseis Tan Sheik Ling	-	-	-	-	-	-	-
	180,000	342,300	148,878	86,000	-	66,034	823,212

Group

	RM						
	Fees	Allowance	Salaries	Bonus	Benefits in-kind	Other Emoluments	Total
Executive Director							
Dato' Sydney Lawrance Quays	25,268	-	1,426,742	486,500	23,482	215,386	2,177,378
Non-Executive Directors							
Dato' Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin	60,000	313,500	-	50,000	-	42,923	466,423
Datuk Zainun Aishah Binti Ahmad	60,000	15,900	-	-	-	-	75,900
Dato' (Dr) Mustapha Bin Abd Hamid	60,000	12,900	-	-	-	-	72,900
Tan Thiam Chai	-	-	-	-	-	-	-
Chryseis Tan Sheik Ling	-	-	-	-	-	-	-
	205,268	342,300	1,426,742	536,500	23,482	258,309	2,792,601

(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 Senior Management
RM250,001 - RM300,000	1
RM300,001 - RM350,000	2
RM350,001 - RM400,000	1
RM500,001 - RM550,000	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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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:-

Datuk Zainun Aishah Binti Ahmad - Chairman/Independent Non-Executive Director

Dato’ (Dr) Mustapha Bin Abd Hamid - Member/Independent Non-Executive Director

Tan Thiam Chai - Member/Non-Independent Non-Executive Director

Dato’ Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin has ceased as a committee member of Audit and Risk Management Committee on 10 February 2022 so as to comply with Practice 1.4 of the MCCG, which states that the Chairman of the Board should not be a member of Audit and Risk Management Committee.

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.

Besides overseeing the Group’s accounting and financial reporting process, ARMC is also responsible to assist the Board to review the nature, scope and results of the external audit, its cost effectiveness and the independence and objectivity of the External Auditors, to oversee and monitor the Group internal audit functions, oversees recurrent related party transactions, risk management activities and other activities such as governance matters. The ARMC Report detailing its summary of activities during the financial year is set out in pages 079 to 083 of this Annual Report.

The performance of the ARMC is reviewed annually by the Nomination Committee. Based on the evaluation, the Nomination Committee concluded that the ARMC has been effective in its performance and has carried out its duties in accordance with its TOR during the FYE 2022.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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. The non-recurring non-audit service is the professional accounting fees for an aborted corporate exercise.

During the FYE 30 June 2022, 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 2022 were as follows:-

	Company		Group	
	FYE2022	FYE2021	FYE2022	FYE2021
	RM	RM	RM	RM
Statutory audit fees paid/ payable to:-				
- Ernst & Young PLT (“EY”) Malaysia	136,325	125,296	386,468	303,884
- Affiliates of EY Malaysia	-	-	12,500	20,598
Total (a)	136,325	125,296	398,968	324,482
Non-audit fees paid/ payable to:-				
- EY Malaysia	12,992	17,413	59,723	50,101
- Affiliates of EY Malaysia	-	-	11,055	12,319
Total (b)	12,992	17,413	70,778	62,420
% of non-audit fees (b/a)	10%	14%	18%	19%
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. The proposed appointment will be subject to shareholders’ approval at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Risk Management and Internal Control

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

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

- (i) The business units are required to identify the risks relevant to their business.
- (ii) The risks are then assessed based on the probability of their occurrence and are evaluated as low, medium or high. The level of residual risk is determined after evaluating the effectiveness of controls and mitigating measures.
- (iii) The business units develop control procedures or actions plans to either prevent the occurrence or reduce the impact upon its occurrence.
- (iv) The business units are required to update their risk profiles and review their processes in monitoring the risks periodically.
- (v) On a quarterly basis, the business units are required to prepare a report summarising the significant risks and status of action plan. Selected reports will be submitted to the ARMC for review and deliberation.

The Company continues to maintain and review its risk management and internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investments.

Internal Audit Function

The Board acknowledges its overall responsibility for the Group's system of internal control and its effectiveness as well as reviewing its adequacy and integrity to safeguard the Group's assets and the shareholders' investments.

The internal audit function of the Company is outsourced to the Group Internal Audit Division of the ultimate holding company, Berjaya Corporation Berhad and they are free from any relationships or conflict of interest that could impair their objectivity and independence. The Internal Auditors reports directly to the ARMC and carries out their internal audit based on the 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 2022 is set out in the ARMC Report.

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

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

Communication with Stakeholders

The Company 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;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- (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.

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

The Company despatches its notice of meeting at least twenty-eight (28) days before the AGM together with a copy of the Administrative Guide to the shareholders of the Company. The Company's Annual Report and Circular/Statement to Shareholders 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 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.

All Board members (including all members of the Board Committees), the Chief Financial Officer, the Company Secretaries, the Management and the External Auditors of the Company attended the Twelfth AGM and provided meaningful response to shareholders' queries during the meeting.

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 Twelfth AGM held on 9 December 2021, 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 Twelfth 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://sshsb.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 distributed to shareholders. 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 Twelfth AGM, after 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 2022.

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.

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 79 to 83 of the Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY FEATURES OF THE INTERNAL CONTROL SYSTEM

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

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

INTERNAL CONTROL FUNCTION

The Board recognises that effective monitoring on a continuous basis is a vital component of a sound internal control system. In this respect, the ARMC carries out an internal audit function to monitor and assess the effectiveness of the internal control system. Observations from internal audits were presented to the ARMC together with management's response and proposed action plans for its review. The action plans were then followed up during subsequent internal audits with implementation status reported to the ARMC.

The internal audit function is outsourced to the Group Internal Audit Division of Berjaya Corporation Berhad, which reports directly to the ARMC. The scope of work covered by the internal audit function is determined by the ARMC after careful consideration and discussion of the audit plan with the Board.

WHISTLEBLOWING POLICY

The Group has 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 victimization, 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 2022, the ARMC held (4) meetings where it reviewed and evaluated the adequacy of risk management activities of various unlisted operating subsidiary companies (i.e. Jollibean Foods Pte Ltd, Ser Vegano Sdn Bhd, Berjaya Food Trading Sdn Bhd and Berjaya Food Supreme Sdn Bhd) and recommended certain measures to be adopted to mitigate their business risk exposures.

REVIEW BY EXTERNAL AUDITORS

The external auditors have performed limited assurance procedures on the Statement on Risk Management and Internal Control ("SRMIC") pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3 (previously the Recommended Practice Guide 5 (Revised 2015), Guidance for Auditors on Engagements to Report on the SRMIC included in the Annual Report issued by the Malaysian Institute of Accountants), for the year ended 30 June 2022, and reported to the Board that nothing has come to their attention that causes them to believe the SRMIC intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the SRMIC: Guidelines for Directors of Listed Issuers, nor is the SRMIC factually inaccurate. AAPG 3 does not require the auditors to consider whether the Directors' SRMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the external auditors was made solely to the Board in connection with their compliance with the Listing Requirements of Bursa Malaysia and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

CONCLUSION

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

The system of internal control was satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Berjaya Food Berhad (“BFood”) is pleased to present the report of the Audit and Risk Management Committee (“the ARMC”) for the financial year ended 30 June 2022.

MEMBERS AND MEETING ATTENDANCE

The members of the ARMC are as follows:-

Datuk Zainun Aishah Binti Ahmad
- *Chairman/Independent Non-Executive Director*

Dato’ (Dr) Mustapha Bin Abd Hamid
- *Independent Non-Executive Director*

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

The ARMC held five (5) meetings during the financial year ended 30 June 2022. The details of attendance of the ARMC members are as follows:-

Directors	Attendance
Datuk Zainun Aishah Binti Ahmad	5/5
Dato’ (Dr) Mustapha Bin Abd Hamid	5/5
Tan Thiam Chai	5/5
Dato’ Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin*	4/4**

Notes:

* *Dato’ Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin had ceased as a member of ARMC of the Company on 10 February 2022 so as to comply with Practice 1.4 of the Malaysian Code of Corporate Governance (“MCCG”), which states that the Chairman of the Board should not be a member of the ARMC.*

** *Reflects the attendance and the number of meetings held during the financial year since the Director held office.*

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, the General Manager of Group Internal Audit as well as the Chief Financial Officer and the General Manager of Group Accounts and Budgets of Berjaya Corporation Berhad were also invited to attend the ARMC meetings. The External Auditors were invited to attend three (3) of these meetings.

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

The duties and responsibilities of the ARMC are set out in its terms of reference, a copy of which is available at the Company’s website at www.berjaya.com/berjaya-food/.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

In discharging its duties and responsibilities, the ARMC had undertaken the following activities and work during the financial year ended 30 June 2022:-

Financial Reporting

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

Date of Meetings	Review of Quarterly Financial Statements
18 August 2021	Fourth quarter results as well as the unaudited results of the Group for the financial year ended 30 June 2021
11 November 2021	First quarter results for financial year ended 30 June 2022
10 February 2022	Second quarter results for financial year ended 30 June 2022
11 May 2022	Third quarter results for financial year ended 30 June 2022

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 2021 at its meeting held on 14 October 2021 and to ensure that it presented a true and fair view of the Company's financial position and performance for the year and it is in compliance with regulatory requirements. Prior to that, the ARMC had reviewed the status report on the Audit Plan for financial year ended 30 June 2021 prepared by the External Auditors at the meeting held on 18 August 2021.

External Audit

- (a) Evaluated the performance of the External Auditors for the financial year ended 30 June 2021 covering areas such as calibre of the audit firm, quality processes/performance, audit team, independence and objectivity, audit scope and planning, audit communications and audit fees of the External Auditors. The ARMC, having been satisfied with the independence, suitability and performance of Messrs Ernst & Young PLT ("EY"), had recommended to the Board the re-appointment of EY as External Auditors for the ensuing financial year end of 30 June 2022 at its meeting held on 14 October 2021 for approval.
- (b) Discussed and considered the significant accounting adjustments and auditing issues arising from the interim audit as well as the final audit with the External Auditors including the key audit matters which were raised in the external auditors' report for the financial year ended 30 June 2021.

The ARMC also had private discussions with the External Auditors twice annually on 18 August 2021 and 14 October 2021, without the presence of Management during the review of the audited financial statements for the year ended 30 June 2021 to discuss any problems/issues arising from the final audit, customer loyalty programme, update on the new MCGG, dividend declaration as well as 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 11 May 2022, their audit plan for the financial year end of 30 June 2022, outlining the EY client service team, audit timeline, scope of audit, audit emphasis, audit quality, assessment of internal control environment, fraud consideration and risk of management override of controls, digital global audit methodology, digital roadmap, auditors' independence, focus on cybersecurity and sustainability, MCGG updates as well as financial reporting developments updates.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Internal Audit

- (a) Reviewed the Internal Audit Reports on the Company's subsidiaries namely, Jollibean Foods Pte Ltd ("JFPL"), Berjaya Food Supreme Sdn Bhd ("BFood Supreme"), Berjaya Food Trading Sdn Bhd ("BFood Trading") and Ser Vegano Sdn Bhd ("SER") 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 2023 to ensure that the scope and coverage of the internal audit on the operations of the BFood Group is adequate and comprehensive and that all the risk areas are audited annually.

Recurrent Related Party Transactions

- (a) Reviewed the 2021 Circular to Shareholders in connection with the Recurrent Related Party Transactions ("RRPT") that arose within the Group to ensure that the transactions are fair and reasonable to, and are not to the detriment of, the minority shareholders.

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

- (i) The transaction prices are based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
- (ii) The related parties and interested Directors will be notified of the method and/or procedures of the RRPT for the BFood Group;
- (iii) Records of RRPT will be retained and compiled by the Group accountant for submission to the ARMC for review;
- (iv) The ARMC is to provide a statement that it has reviewed the terms of the RRPT to ensure that such transactions are undertaken based on terms not more favourable to the related parties than those generally available to the public, are not detrimental to the minority shareholders and are in the best interest of the BFood Group;
- (v) The ARMC also reviewed the procedures and processes with regards to the RRPT on a half yearly basis to ensure that the transactions are within the approved mandate;
- (vi) Directors who have any interest in any RRPT shall abstain from Board deliberations and voting and will ensure that they and any person connected with them will also abstain from voting on the resolution(s) at the Extraordinary General Meeting or Annual General Meeting to be convened for the purpose; and
- (vii) Disclosures will be made in the annual report on the breakdown of the aggregate value of the RRPT during the financial year, 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.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

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 2022, the ARMC had reviewed the related party transaction on the proposed acquisition of two (2) freehold commercial units with a total floor area of about 24,115 square feet located at Level 10 of Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur by Berjaya Starbucks Coffee Company Sdn Bhd from Berjaya Times Square Sdn Bhd for a total cash consideration of RM15,674,750.00 or at RM650.00 per square foot prior to their recommendation to the Board for approval and to make the relevant announcements thereof.

Risk Management Activities

- (a) Reviewed the risk management activities on the Company's subsidiaries namely, JFPL, BFood Supreme, BFood Trading, SER including the risk descriptions, risk mitigation strategies and controls and its existing controls to ensure the business activities and risk areas are re-aligned and enhanced on an on-going basis.
- (b) Reviewed the summary of the risk register covering areas such as the likelihood of occurrence, the impact of the risks, risk score, risk treatment, risk owner and control effectiveness to ensure that the management of the relevant risks is appropriately placed within the Group.

Other Activities

- (a) Reviewed and recommended to the Board for approval, the ARMC Report, Corporate Governance Report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control for inclusion in the 2021 Annual Report.
- (b) Reviewed and verified the allocation and movement of the Employees' Share Scheme ("ESS") for the financial year ended 30 June 2021 to ensure that it had been carried out according to the criteria and matrix stipulated in the ESS's By-Laws.
- (c) Assessed the adequacy of the scope, competency and performance of the internal audit function and its effectiveness of the audit processes for the financial year ended 30 June 2021.
- (d) Reviewed and assessed the financial literacy of ARMC members for the financial year ended 30 June 2021.
- (e) Reviewed and recommended to the Board the distribution of interim dividend for the financial year ended 30 June 2022 based on the solvency test conducted, that the distribution of dividend was in accordance with the provision made under the Companies Act 2016.
- (f) Reviewed and approved the revised External Auditors Policy.
- (g) Reviewed and recommended to the Board for approval the revised Terms of Reference of ARMC.

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

AUDIT AND RISK MANAGEMENT COMMITTEE 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 unit of the Group involved in the development and operation of the “Kenny Rogers Roasters” chain of restaurants in Malaysia, “Jollibean”, “Sushi Deli” & “Kopi Alley” outlets in Singapore, “Starbucks Coffee” stores in Brunei, “SALA” plant-based vegan restaurants in Malaysia and sales & distribution of premium “Consumer Packaged Goods”.

The activities undertaken by the Internal Audit Division during the financial year ended 30 June 2022 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 2022 was approximately RM241,144.

TERMS OF REFERENCE OF THE ARMC

The terms of reference of the ARMC can be viewed on the Company’s website at www.berjaya.com/berjaya-food/.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

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

In preparing the financial statements, the directors have:

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

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

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



FINANCIAL STATEMENTS

86	Directors' Report
94	Statement by Directors
94	Statutory Declaration
95	Statements of Financial Position
96	Statements of Profit or Loss and Other Comprehensive Income
97	Consolidated Statement of Changes In Equity
98	Statement of Changes in Equity
99	Statements of Cash Flows
102	Notes to the Financial Statements
171	Independent Auditors' Report

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 2022.

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> RM'000	<u>Company</u> RM'000
Profit for the year	<u>122,665</u>	<u>128,427</u>
Attributable to:		
- Owners of the parent	124,776	128,427
- Non-controlling interests	<u>(2,111)</u>	<u>-</u>
	<u>122,665</u>	<u>128,427</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 2021 were as follows:

In respect of the financial year ended 30 June 2021

Fourth interim dividend of 1.0 sen per share single-tier dividend, paid on 23 September 2021	3,578
---	-------

In respect of the financial year ended 30 June 2022

First interim dividend of 1.0 sen per share single-tier dividend, paid on 30 December 2021	3,622
---	-------

Second interim dividend of 1.0 sen per share single-tier dividend, paid on 30 March 2022	3,605
---	-------

Third interim dividend of 1.50 sen per share single-tier dividend, paid on 23 June 2022	5,408
--	-------

	<u>12,635</u>
--	---------------

Total dividend paid during the financial year ended 30 June 2022	<u><u>16,213</u></u>
--	----------------------

The directors declared and approved on 16 August 2022:

In respect of the financial year ended 30 June 2022

Fourth interim dividend of 2.00 sen per share single-tier dividend, paid on 22 September 2022	7,081*
--	--------

* 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 2023

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:

Datuk Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin
Dato' Sydney Lawrance Quays
Datuk Zainun Aishah Binti Ahmad
Dato' (Dr) Mustapha Bin Abd Hamid
Tan Thiam Chai
Chryseis Tan Sheik Ling

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

Azlan Shah Bin Alladin
Chin Wan Ching
Dato' Lee Kok Chuan
Dato' Sri Robin Tan Yeong Ching
Djeng Shih Kien
Lim Sing Pheng
Luis A/L Daniel
Mohammed Fauzi Bin Hussein Nazri

DIRECTORS' REPORT

DIRECTORS (CONTINUED)

Mark John Graham	
Tan Yew Chuan	
YAM Pengiran Muda Abdul Qawi	
Ng Yong Teck, Simon	(Appointed on 25 November 2021)
Teow Gek Keo	(Resigned on 25 November 2021)
Lung Hian Kiat	(Appointed on 11 February 2022 and resigned on 29 July 2022)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employees' Share Scheme ("ESS").

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 23 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which 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 1.7.2021	Acquired	Disposed	At 30.6.2022
The Company				
Datuk Seri Diraja Tunku Shazuddin				
Ariff Ibni Sultan Sallehuddin	16,000	100,000 ^	-	116,000
Dato' Sydney Lawrance Quays	531,400	1,058,000 ^	(749,400)	840,000
(a)	10,000	-	-	10,000
Datuk Zainun Aishah binti Ahmad	229,800	340,000 ^	(250,000)	319,800
Dato' (Dr) Mustapha bin Abd Hamid	161,000	180,000 ^	(160,000)	181,000
Tan Thiam Chai	505,800	340,000 ^	(441,100)	404,700

DIRECTORS' REPORT

	Number of ordinary shares under ESS			At 30.6.2022
	At 1.7.2021	Granted	Exercised/ vested	
ESS Options				
Datuk Seri Diraja Tunku Shazuddin				
Ariff Ibni Sultan Sallehuddin	80,000	-	(80,000)	-
Dato' Sydney Lawrance Quays	988,000	-	(988,000)	-
Datuk Zainun Aishah binti Ahmad	320,000	-	(320,000)	-
Dato' (Dr) Mustapha bin Abd Hamid	160,000	-	(160,000)	-
Tan Thiam Chai	320,000	-	(320,000)	-
ESS Shares				
Datuk Seri Diraja Tunku Shazuddin				
Ariff Ibni Sultan Sallehuddin	20,000	-	(20,000)	-
Dato' Sydney Lawrance Quays	70,000	-	(70,000)	-
Datuk Zainun Aishah binti Ahmad	20,000	-	(20,000)	-
Dato' (Dr) Mustapha bin Abd Hamid	20,000	-	(20,000)	-
Tan Thiam Chai	20,000	-	(20,000)	-
Subsidiary companies:				
	Number of ordinary shares			
	At 1.7.2021	Acquired	Disposed	At 30.6.2022
Jollibean Foods Pte Ltd				
Dato' Sydney Lawrance Quays	50,000	-	-	50,000
	Number of ordinary shares			
	At 1.11.2021/ Date of appointment	Acquired	Disposed	At 30.6.2022
Berjaya Kelava Sdn Bhd				
Dato' Sydney Lawrance Quays	4	15,716	-	15,720
Ultimate holding company:				
	Number of ordinary shares			
	At 1.7.2021	Acquired	Disposed	At 30.6.2022
Berjaya Corporation Berhad ("BCorp")				
Dato' Sydney Lawrance Quays	26	-	-	26
Tan Thiam Chai	132,071	20,600	-	152,671
(a)	111,579	17,400	-	128,979
Chryseis Tan Sheik Ling	211,026	275,000	-	486,026
	Number of 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 of RM1.00 nominal value each			
	At 1.7.2021	Acquired	Converted	At 30.6.2022
Tan Thiam Chai	20,600	-	(20,600) *	-
(a)	17,400	-	(17,400) *	-
Chryseis Tan Sheik Ling	275,000	-	(275,000) *	-

DIRECTORS' REPORT

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

	At 1.7.2021	Acquired	Disposed	At 30.6.2022
Tan Thiam Chai	1,000	-	-	1,000

Number of warrants 2012/2022

	At 1.7.2021	Acquired	Disposed	At 30.6.2022
Tan Thiam Chai	20,600	-	(20,600) #	-
(a)	17,400	-	(17,400) #	-

Number of warrants 2016/2026

	At 1.7.2021	Acquired	Disposed	At 30.6.2022
Tan Thiam Chai	1,000	-	-	1,000

Related companies:

Number of ordinary shares

	At 1.7.2021	Acquired	Disposed	At 30.6.2022
Berjaya Land Berhad				
Tan Thiam Chai	40,000	-	-	40,000
Chryseis Tan Sheik Ling	5,000,000	-	-	5,000,000

Number of ordinary shares

	At 1.7.2021	Acquired	Disposed	At 30.6.2022
Sports Toto Berhad (Formerly known as Berjaya Sports Toto Berhad)				
Tan Thiam Chai	174,006	-	-	174,006
(a)	134,496	-	-	134,496

Number of ordinary shares

	At 1.7.2021	Acquired	Disposed	At 30.6.2022
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.

^ Shares arising from the vesting of ESS shares and exercise of ESS options.

* BCorp 5% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") were automatically converted into ordinary shares on the basis of one (1) BCorp 5% ICULS for one (1) BCorp new share upon its maturity on 22.4.2022.

BCorp Warrants 2012/2022 were expired on 22.4.2022.

DIRECTORS' REPORT**EMPLOYEES' SHARE SCHEME**

On 18 November 2016, the ESS was implemented after the Company obtained all the required approvals and complied with the requirements pertaining to the ESS. The ESS is approved for granting to the eligible employees of the Group, including directors of the Company, of the following:

- i) the right to receive new and/or existing ordinary shares of the Company ("ESS Shares"); and/or
- ii) option to exercise and receive ordinary shares of the Company ("ESS Options").

The committee administering the ESS comprises Datuk Seri Diraja Tunku Shazuddin Ariff Ibni Sultan Sallehuddin, Dato' Sydney Lawrance Quays and Datuk Zainun Aishah binti Ahmad.

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

The salient features and terms of the ESS, details of ESS movements during the financial year are disclosed in Note 28 to the financial statements.

This ESS had expired on 17 November 2021.

ISSUE OF SHARES

During the financial year, the Company increased its share capital from RM246,774,008 to RM257,920,251 by way of:

- (i) the issuance of 5,727,250 new ordinary shares at an issue price of RM1.44 per share pursuant to the exercise of the ESS Options that was granted under the ESS;
- (ii) the issuance of 32,400 new ordinary shares at an issue price of RM1.27 per share pursuant to the exercise of the ESS Options that was granted under the ESS;
- (iii) the issuance of 80,000 new ordinary shares at an issue price of RM1.25 per share pursuant to the exercise of the ESS Options that was granted under the ESS; and
- (iv) the inclusion of RM2,757,855 from employees' share plan reserves as part of the paid up share capital upon:
 - (a) the exercise of ESS Options of RM2,378,878;
 - (b) the expiring of ESS Options of RM367,007; and
 - (c) the forfeiture of ESS Options of RM11,970.

TREASURY SHARES

During the financial year, the Company bought back 1,700,000 (2021: Nil) units and 623,850 (2021: 511,880) units of the ordinary shares of the Company were reissued for the vesting of ESS Shares. The number of treasury shares held in hand as at 30 June 2022 was 28,986,950 (2021: 27,910,800) units.

As at 30 June 2022, the issued ordinary share capital of the Company with voting rights was 360,539,607 (2021: 355,776,107) ordinary shares.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION

- (a) Before the statements of financial position and statements of profit or loss and other comprehensive income of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current asset which was unlikely to realise its value as shown in the accounting records in the ordinary course of business had been written down to an amount which it might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT**SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

Significant event during the financial year is disclosed in Note 37 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

Significant events subsequent to the financial year are disclosed in Note 38 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 22 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 2022

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 95 to 170 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 2022 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 2022

Dato' Sydney Lawrance Quays

Tan Thiam Chai

STATUTORY DECLARATION

(PURSUANT TO SECTION 251(2) 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 95 to 170 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 2022

) 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 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current assets					
Property, plant and equipment	3	293,433	269,017	1	3
Right-of-use assets	4	381,093	325,717	-	-
Subsidiary companies	5	-	-	438,549	419,484
Intangible assets	6	459,723	458,149	-	-
Deposits	8	18,774	22,445	-	-
Deferred tax assets	15	7,322	3,182	-	-
		<u>1,160,345</u>	<u>1,078,510</u>	<u>438,550</u>	<u>419,487</u>
Current assets					
Inventories	7	51,800	45,985	-	-
Trade and other receivables	8	56,906	22,650	86,447	25,287
Tax recoverable		581	2,760	-	20
Short term investment	9	25,758	-	-	-
Deposits with financial institutions	10	10,607	9,063	8,945	8,809
Cash and bank balances		32,337	18,684	673	845
		<u>177,989</u>	<u>99,142</u>	<u>96,065</u>	<u>34,961</u>
TOTAL ASSETS		<u>1,338,334</u>	<u>1,177,652</u>	<u>534,615</u>	<u>454,448</u>
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	11	257,920	246,774	257,920	246,774
Reserves	12	275,157	170,184	206,172	97,553
		533,077	416,958	464,092	344,327
Treasury shares	13	(45,437)	(41,388)	(45,437)	(41,388)
		487,640	375,570	418,655	302,939
Non-controlling interests		(2,968)	(1,030)	-	-
Total equity		<u>484,672</u>	<u>374,540</u>	<u>418,655</u>	<u>302,939</u>
Share application money		-	184	-	184
		<u>484,672</u>	<u>374,724</u>	<u>418,655</u>	<u>303,123</u>
Non-current liabilities					
Long term borrowings	14	94,931	116,312	91,710	111,541
Lease liabilities	4	338,010	278,266	-	-
Deferred tax liabilities	15	-	-	-	-
Provisions	16	12,823	12,687	-	-
		<u>445,764</u>	<u>407,265</u>	<u>91,710</u>	<u>111,541</u>
Current liabilities					
Trade and other payables	17	134,874	97,109	24,236	24,828
Provisions	16	5,899	4,324	-	-
Short term borrowings	18	110,557	169,911	-	14,956
Lease liabilities	4	65,662	64,737	-	-
Taxation		14,429	287	14	-
Contract liabilities	19	76,477	59,295	-	-
		<u>407,898</u>	<u>395,663</u>	<u>24,250</u>	<u>39,784</u>
Total liabilities		<u>853,662</u>	<u>802,928</u>	<u>115,960</u>	<u>151,325</u>
TOTAL EQUITY AND LIABILITIES		<u>1,338,334</u>	<u>1,177,652</u>	<u>534,615</u>	<u>454,448</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 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	20	997,762	717,337	117,990	54,740
Cost of sales		(474,432)	(350,990)	-	-
Gross profit		523,330	366,347	117,990	54,740
Other income		13,363	14,186	19,443	471
Administrative expenses		(294,782)	(248,695)	(3,157)	(2,038)
Selling and distribution expenses		(21,443)	(19,020)	-	-
Other expenses		(5,908)	(8,173)	-	(2,326)
		214,560	104,645	134,276	50,847
Finance costs	21	(26,568)	(29,919)	(5,762)	(6,674)
Profit before tax	22	187,992	74,726	128,514	44,173
Income tax expense	24	(65,327)	(29,000)	(87)	(78)
Profit for the year		122,665	45,726	128,427	44,095
Other comprehensive income:					
<u>Items that may be reclassified</u>					
<u>subsequent to profit or loss</u>					
- Foreign currency translation		(15)	16	-	-
- Foreign currency reserve transferred to profit or loss due to deemed disposal of a subsidiary company		-	(63)	-	-
Total comprehensive income for the year		122,650	45,679	128,427	44,095
Profit attributable to:					
- Owners of the parent		124,776	47,112	128,427	44,095
- Non-controlling interests		(2,111)	(1,386)	-	-
		122,665	45,726	128,427	44,095
Total comprehensive income attributable to:					
- Owners of the parent		124,781	47,131	128,427	44,095
- Non-controlling interests		(2,131)	(1,452)	-	-
		122,650	45,679	128,427	44,095
Earnings per share (sen)	25				
- Basic		6.93	2.66		
- Diluted		6.93	2.66		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

GROUP	Attributable to the equity holders of the Company									
	Non-distributable					Distributable			Non-controlling interests	Total equity
	Share capital	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	
At 1 July 2020	243,938	4,661	729	879	(55,087)	179,976	(42,145)	332,951	357	333,308
Profit for the year	-	-	-	-	-	47,112	-	47,112	(1,386)	45,726
Other comprehensive income	-	-	-	19	-	-	-	19	(66)	(47)
Total comprehensive income for the year	-	-	-	19	-	47,112	-	47,131	(1,452)	45,679
Transactions with owners										
Share-based										
payment under Employee Shares Scheme ("ESS")	-	417	-	-	-	-	-	417	-	417
Reissued for ESS shares vested	-	(786)	-	-	-	29	757	-	-	-
Adjustment in relation to dilution of equity interest in subsidiary company	-	-	-	-	-	-	-	-	(53)	(53)
Arising from acquisition of a subsidiary company	-	-	-	-	-	-	-	-	118	118
ESS options exercised	2,780	(607)	-	-	-	-	-	2,173	-	2,173
ESS options forfeited	56	(56)	-	-	-	-	-	-	-	-
Dividends (Note 26)	-	-	-	-	-	(7,102)	-	(7,102)	-	(7,102)
	2,836	(1,032)	-	-	-	(7,073)	757	(4,512)	65	(4,447)
At 30 June 2021/1 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 ESS	-	87	-	-	-	-	-	87	-	87
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	193	193
Reissued for ESS shares vested	-	(958)	-	-	-	34	924	-	-	-
Adjustment in relation to deemed disposal equity interest in subsidiary company	-	-	-	-	-	-	-	-	-	-
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 26)	-	-	-	-	-	(16,213)	-	(16,213)	-	(16,213)
	11,146	(3,629)	-	-	-	(16,179)	(4,049)	(12,711)	193	(12,518)
At 30 June 2022	257,920	-	729	903	(55,087)	328,612	(45,437)	487,640	(2,968)	484,672

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

COMPANY	Non-distributable		Distributable		Total equity
	Share capital	Employees' share plan reserve	Retained earnings	Treasury shares	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2020	243,938	4,661	56,902	(42,145)	263,356
Total comprehensive income for the year	-	-	44,095	-	44,095
Transactions with owners					
Share-based					
payment under ESS	-	417	-	-	417
Reissued for ESS shares vested	-	(786)	29	757	-
ESS options exercised	2,780	(607)	-	-	2,173
ESS options forfeited	56	(56)	-	-	-
Dividends (Note 26)	-	-	(7,102)	-	(7,102)
	2,836	(1,032)	(7,073)	757	(4,512)
At 30 June 2021/1 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 26)	-	-	(16,213)	-	(16,213)
	11,146	(3,629)	(16,179)	(4,049)	(12,711)
At 30 June 2022	257,920	-	206,172	(45,437)	418,655

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	1,008,504	702,613	-	-
Payment to suppliers and operating expenses	(638,197)	(502,045)	(2,200)	(1,872)
Payment of tax	(53,179)	(17,872)	(53)	(88)
Other receipts	4,041	4,313	-	-
Net cash flow generated from/(used in) operating activities	<u>321,169</u>	<u>187,009</u>	<u>(2,253)</u>	<u>(1,960)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sales of property, plant and equipment	271	285	-	-
Acquisition of property, plant and equipment (Note a)	(64,482)	(45,770)	-	(5)
Acquisition of intangible assets	(3,767)	(2,878)	-	-
Acquisition of other investment	(26,130)	-	-	-
Acquisition of investment in subsidiary company (Note b)	-	(170)	-	-
Interest received	312	222	153	121
Dividend received	-	-	114,310	36,340
Loan to subsidiaries company	-	-	(57,398)	(3,322)
Repayment from related companies	-	-	178	76
Un-invested fund owing from a related company (Note 8)	(22,467)	-	-	-
Net cash flow (used in)/generated from investing activities	<u>(116,263)</u>	<u>(48,311)</u>	<u>57,243</u>	<u>33,210</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of share capital	8,204	2,173	8,204	2,173
Issuance of share capital to non-controlling interest of a subsidiary company	16	-	-	-
Share application money received	-	184	-	184
Treasury shares acquired	(4,973)	-	(4,973)	-
Drawdown of bank borrowings	88,725	90,329	-	-
Repayment of bank borrowings	(167,878)	(118,378)	(35,000)	(5,000)
Payment of hire purchase	(1,795)	(841)	-	-
Payment of principal portion of lease liabilities	(69,838)	(69,453)	-	-
Interest paid	(26,317)	(34,374)	(4,551)	(5,335)
Dividends paid	(16,213)	(7,102)	(16,213)	(7,102)
Net placement with bank as security pledged for borrowings	(140)	(1,337)	(136)	(1,333)
Advance from related companies	640	456	388	362
Repayment to related companies	(472)	(357)	(2,881)	(14,440)
Net cash flow used in financing activities	<u>(190,041)</u>	<u>(138,700)</u>	<u>(55,162)</u>	<u>(30,491)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	14,865	(2)	(172)	759
EFFECT OF EXCHANGE RATE CHANGES	192	28	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	18,684	18,658	845	86
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>33,741</u>	<u>18,684</u>	<u>673</u>	<u>845</u>

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH AND CASH EQUIVALENTS				
The closing cash and cash equivalents comprise of the following:				
Cash and bank balances	32,337	18,684	673	845
Deposits with financial institutions	10,607	9,063	8,945	8,809
	42,944	27,747	9,618	9,654
Less: Deposits pledged with bank - restricted (Note 10)	(9,203)	(9,063)	(8,945)	(8,809)
	<u>33,741</u>	<u>18,684</u>	<u>673</u>	<u>845</u>

Notes:

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Payment for current year acquisition (Note 3)	60,978	28,652	-	5
Payment for previous year acquisition	3,504	17,118	-	-
	<u>64,482</u>	<u>45,770</u>	<u>-</u>	<u>5</u>

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

	Group	
	2022 RM'000	2021 RM'000
Property, plant and equipment (Note 3)	-	301
Right-of-use assets (Note 4)	-	41
Net other liabilities acquired	-	(106)
Non-controlling interests	-	(118)
Goodwill arising on consolidation (Note 6)	-	132
Cost of acquisition	-	250
Excluding: Cash and cash equivalents of subsidiary company acquired	-	(80)
Cash flow on acquisition (net of cash in subsidiary company acquired)	<u>-</u>	<u>170</u>

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

c) Changes in liabilities arising from financing activities:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<u>Total borrowings</u>				
At beginning of the year	286,223	310,307	126,497	131,257
Drawdown of bank borrowings	88,725	90,329	-	-
Additional hire purchase	-	4,496	-	-
Repayment of bank borrowings and hire purchase	(169,673)	(119,219)	(35,000)	(5,000)
Charge out of deferred transaction costs (Note 21)	213	240	213	240
Acquisition of subsidiary	-	70	-	-
At end of the year	<u>205,488</u>	<u>286,223</u>	<u>91,710</u>	<u>126,497</u>

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<u>Due to related companies</u>				
At beginning of the year	245	146	23,620	36,246
Advance from related companies	640	456	388	362
Repayment to related companies	(472)	(357)	(2,881)	(14,440)
Interest charged by subsidiary company	-	-	1,232	1,452
At end of the year	<u>413</u>	<u>245</u>	<u>22,359</u>	<u>23,620</u>

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

	Group	
	2022 RM'000	2021 RM'000
Total cash outflow for leases:		
- payment for principal portion of lease liabilities	69,838	69,453
- interest paid on lease liabilities	17,098	17,147
- payment of expenses relating to short term leases	4,255	6,882
- payment of expenses relating to leases of low-value assets	111	62
- variable payments for leases	19,849	2,970
	<u>111,151</u>	<u>96,514</u>

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

1. ABBREVIATION AND CORPORATE INFORMATION

1.1 Abbreviation

The following abbreviations are applied throughout the financial statements:-

The Group – Berjaya Food Berhad and its subsidiary companies
BCorp – Berjaya Corporation Berhad
BFI – Berjaya Food (International) Sdn Bhd
BFSSB – Berjaya Food Supreme Sdn Bhd
BFT – Berjaya Food Trading Sdn Bhd
BGroup – Berjaya Group Berhad
BJM – Berjaya Jollibean (M) Sdn Bhd
BRoasters – Berjaya Roasters (M) Sdn Bhd
BStarbucks – Berjaya Starbucks Coffee Company Sdn Bhd
JLPL – Jollibean Foods Pte Ltd
SER – Ser Vegano Sdn Bhd
BKelava – Berjaya Kelava 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 (“Bursa Malaysia”).

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

The 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 2022.

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 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.2 Summary of significant accounting policies****2.2.1 Subsidiaries and basis of consolidation**

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

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

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

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

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

Subsidiary companies are consolidated using the acquisition method of accounting except for the business combination with BRoasters, which was accounted for under the pooling of interests method as the business combination of this subsidiary company involved an entity under common control.

Under the pooling of interests method of accounting, the results of the entities under common control are presented as if the entities had been combined throughout the current and previous financial years. The difference between the cost of acquisition and the nominal value of the share capital acquired are reflected within equity as merger reserve or merger deficit in the case of debit differences.

Under the acquisition method of accounting, subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until that date such control ceases.

The cost of acquisition of a subsidiary company depends on whether it is a business combination, in accordance to the specifications in MFRS 3, or not. If it is not a business combination, the cost of acquisition consists of the consideration transferred ("CT"). The CT is the sum of fair values of the assets transferred by the Group, the liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree on the date of acquisition and any contingent consideration. For an acquisition that is not a business combination, the acquisition-related costs can be capitalised as part of the cost of acquisition. If it is a business combination, the cost of acquisition (or specifically, the cost of business combination) consists of CT, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree. For an acquisition that is a business combination, the acquisition-related costs are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

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 2022

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 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.2 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent to recognition, when property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2%
Office equipment, smallwares and motor vehicles	20% - 33%
Computers	20% - 40%
Plant, machinery, kitchen equipment, furniture and fittings	10% - 33%
Renovation and restoration	Based on lease term

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and year of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses on the derecognition of the asset are included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

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.

Licence 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.

2.2.4 Inventories

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.5 Impairment of non-financial assets

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.2 Summary of significant accounting policies (continued)****2.2.6 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) in the principal market for the asset or liability; or
- (ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

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

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

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

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

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation technique for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.7 Financial instruments

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

(1) Financial assets

Initial recognition and measurement

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

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

The classification of financial assets at initial recognition depends on:

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

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) Fair value through profit or loss

All financial assets not classified as amortised cost or fair value through other comprehensive income as described above are classified as fair value through profit or loss. This includes derivative financial assets (except for derivatives that are designated as effective hedging instruments). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be classified as financial asset at amortised cost or at fair value through other comprehensive income, as a financial asset at fair value through profit or loss, 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 fair value through profit or loss are carried in the statements 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 fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.7 Financial instruments (continued)

(1) Financial assets (continued)

Derecognition

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

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

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

(2) Financial liabilities

Initial recognition and measurement

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

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

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.

(2) Offsetting of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

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 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.2 Summary of significant accounting policies (continued)****2.2.10 Contract assets and contract liabilities**

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

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

2.2.11 Cash and cash equivalents

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

2.2.12 Government grants

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

2.2.13 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the year they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.14 Leases

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

(1) Group as a lessee

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

Right-of-use assets

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

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

Property	2 to 21 years
----------	---------------

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

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

Lease liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

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 2022

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 2022

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 2022

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 2022

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 2022

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 2022

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

2.2.22 Tax

(1) Current tax

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

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

(2) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- in respect of taxable temporary differences associated with investments in subsidiary companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiary companies, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

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 2022

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 2021:

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

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 and Annual Improvements 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 2022:

- Amendments to MFRS 3: Business Combinations – Reference to Conceptual Framework
- Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Costs of Fulfilling a Contract
- Amendments to MFRS 1, MFRS 9, MFRS 16, MFRS 141 – Annual Improvements to MFRS Standards 2018 - 2020

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

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 16: Leases – Lease Liability in a Sale and Leaseback

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, Amendments to MFRSs and Annual Improvements 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Critical judgement made in applying accounting policies

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

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

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

The Group assesses, by applying 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:

(i) 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 6.1 and Note 6.2.

(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 19.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.5 Significant accounting estimates and judgements****(b) Key sources of estimation uncertainty (continued)****(iii) Reversal of impairment of investment in subsidiary**

During the current financial year, the Company reversed impairment in respect of its investment in a subsidiary. 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 16.

(vi) Useful lives of property, plant and equipment

The Group and the Company estimate the useful lives of property, plant and equipment based on the period which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are viewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on the managements' evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the buildings, plant and equipment would increase the depreciation expenses and decrease the carrying amount on property, plant and equipment.

The carrying amount of the Group and the Company's property, plant and equipment at the reporting date is disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

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							
2022	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<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

2021

<u>Net carrying amount</u>							
At beginning of year	29,373	30,321	4,493	57,827	157,292	6,740	286,046
Additions	-	2,567	1,657	6,884	17,679	5,958	34,745
Disposals	-	(168)	(15)	(35)	(59)	-	(277)
Depreciation charge	(622)	(6,321)	(1,580)	(8,971)	(27,275)	-	(44,769)
Write off	-	(39)	(4)	(188)	(2,708)	-	(2,939)
Impairment	-	(239)	(5)	(509)	(3,361)	-	(4,114)
Exchange differences	-	-	-	4	20	-	24
Acquisition of subsidiary	-	89	1	111	100	-	301
Reclassification	-	324	774	141	5,519	(6,758)	-
At end of year	28,751	26,534	5,321	55,264	147,207	5,940	269,017

As at 30 June 2021

Cost	31,113	73,559	17,719	124,811	300,056	5,940	553,198
Accumulated depreciation	(2,362)	(46,786)	(12,393)	(68,996)	(149,097)	-	(279,634)
Accumulated impairment	-	(239)	(5)	(551)	(3,752)	-	(4,547)
Net carrying amount	28,751	26,534	5,321	55,264	147,207	5,940	269,017

Included in property, plant and equipment of the Group are fully depreciated assets which are still in use costing about RM142,024,000 (2021: RM83,168,000).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY

	Furniture and fittings	Computer	Total
	RM'000	RM'000	RM'000
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	21	22
Accumulated depreciation	(1)	(20)	(21)
Net carrying amount	-	1	1
2021			
<u>Net carrying amount</u>			
At beginning of year	-	-	-
Additions	-	5	5
Depreciation charge	-	(2)	(2)
At end of year	-	3	3
As at 30 June 2021			
Cost	1	21	22
Accumulated depreciation	(1)	(18)	(19)
Net carrying amount	-	3	3

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Hire purchase	-	888	-	-
Cash	60,978	28,652	-	5
Amounts due to suppliers	10,293	3,504	-	-
Provision for restoration cost	2,373	1,701	-	-
	<u>73,644</u>	<u>34,745</u>	<u>-</u>	<u>5</u>

Certain furniture and fittings, office equipment, motor vehicles and renovation with carrying amounts of RM4,535,000 (2021: RM5,755,000) 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 RM795,000 (2021: RM4,114,000) as the recoverable amount was lower than the carrying amount. The recoverable amount was determined based on projected cash flows that are discounted using rates ranging from 10.50% to 11.50% (2021: 10.50% to 11.50%).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

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

GROUP	PROPERTY	
	2022 RM'000	2021 RM'000
<u>Net carrying amount</u>		
At beginning of year	325,717	351,615
Additions	125,951	52,131
Depreciation charge	(76,474)	(78,052)
Lease reassessments	1,912	406
Lease modification	4,480	99
Acquisition of subsidiary	-	41
Impairment	(912)	(604)
Exchange differences	419	81
At end of year	<u>381,093</u>	<u>325,717</u>
Cost	603,207	477,047
Accumulated depreciation	(220,594)	(150,572)
Accumulated impairment	(1,520)	(758)
Net carrying amount	<u>381,093</u>	<u>325,717</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 property and recognised an impairment loss of RM912,000 (2021: RM604,000) as the recoverable amount was lower than the carrying amount. The recoverable amount was determined based on projected cash flows that are discounted at a rate of 10.50% to 11.50% (2021: 10.50% to 11.50%).

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2022

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	
	2022	2021
	RM'000	RM'000
At beginning of year	343,003	361,133
Additions	125,951	52,131
Accretion of interest (Note 21)	17,098	17,147
Lease payments	(86,936)	(86,600)
Reassessment	1,912	406
Modification	2,338	(1,312)
Acquisition of subsidiary	-	40
Exchange difference	306	58
As at 30 June 2022	<u>403,672</u>	<u>343,003</u>
Disclosed as:		
- Current	65,662	64,737
- Non-current	338,010	278,266
As at 30 June 2022	<u>403,672</u>	<u>343,003</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

5. SUBSIDIARY COMPANIES

	Company	
	2022 RM'000	2021 RM'000
Unquoted shares in Malaysia, at cost	450,927	450,927
ESS granted to employees of subsidiary companies	7,630	7,579
	458,557	458,506
Less: Accumulated impairment	(20,008)	(39,022)
	438,549	419,484

During the current financial year, the Company conducted a review of recoverable amounts of investment in subsidiary companies and the review has led to a reversal of impairment amounting to RM19,014,000 (2021: impairment loss of RM2,326,000). The recoverable amounts are determined based on VIU calculation. The discount rate used in the VIU calculation is 11.50% (2021: 11.50%).

Unquoted shares costing RM359,615,000 (2021: RM359,577,000) 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 [^]	
			2022	2021	2022	2021
Held by the Company:						
BStarbucks	Malaysia	Development and operation of the "Starbucks Coffee" chain of cafes and retail outlets in Malaysia.	100	100	-	-
BRoasters	Malaysia	Development and operation of the "Kenny Rogers Roasters" chain of restaurants in Malaysia.	100	100	-	-
BFI	Malaysia	Investment holding.	100	100	-	-
BFT	Malaysia	Sale and distribution of food and beverage in Malaysia.	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

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 [^]	
			2022	2021	2022	2021
Subsidiaries of BFI						
JLPL*	Singapore	Operation of retail outlets and food caterer in Singapore as well as to grant franchise to operate outlets both locally and internationally.	65	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	-	49	-
Subsidiary of JFPL:						
BJM	Malaysia	Operation of food and beverage retail outlets in Malaysia.	100	100	-	-

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

[#] audited by other member firm of Ernst & Young Global.

^{*} audited by other firms of chartered accountants.

[@] 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.

5.1(a) Acquisition of subsidiary company

There is no acquisition of subsidiary company which qualified as business combination during the current financial year.

In the previous financial year, the Group completed the acquisition of 50% equity interests in SER, of which the acquisition qualified as a business combination, for a total cash consideration of RM250,000.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

5. SUBSIDIARY COMPANIES (CONTINUED)**5.1(a) Acquisition of subsidiary companies (continued)**

The cost of acquisition comprised the following:

2021 Group	RM'000
Purchase consideration satisfied by cash	<u>250</u>

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

	Fair value RM'000
Property, plant and equipment	301
Right-of-use assets	41
Other assets acquired	310
Cash and cash equivalents acquired	80
Lease liabilities	(40)
Hire purchase payable	(70)
Other liabilities	(386)
Non-controlling interests	<u>(118)</u>
Total net assets acquired	118
Goodwill arising on acquisition (Note 6)	<u>132</u>
Total cost of acquisition	<u>250</u>

The net cash flows on acquisition were as follows:

	RM'000
Purchase consideration satisfied by cash	(250)
Cash and cash equivalents of subsidiary company acquired	<u>80</u>
Net cash outflow on acquisition of a subsidiary company	<u>(170)</u>

Acquisition of subsidiary company subsequent to financial year end

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

5. SUBSIDIARY COMPANIES (CONTINUED)

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

Summarised financial information of the subsidiary companies which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is that of the amounts before inter-company elimination.

	JLPL		BFSSB		Total	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current assets	9,495	13,897	12,391	13,278	21,886	27,175
Current assets	4,674	4,557	8,294	5,109	12,968	9,666
Non-current liabilities	(5,322)	(11,475)	(10,110)	(10,229)	(15,432)	(21,704)
Current liabilities	(19,842)	(13,469)	(1,856)	(1,164)	(21,698)	(14,633)
Net (liabilities)/assets	(10,995)	(6,490)	8,719	6,994	(2,276)	504
Equity attributable						
to the owners of the parent	(7,147)	(4,218)	6,975	5,595	(172)	1,377
Non-controlling interests	(3,848)	(2,272)	1,744	1,399	(2,104)	(873)
	(10,995)	(6,490)	8,719	6,994	(2,276)	504
Revenue	21,654	20,444	8,036	6,985	29,690	27,429
(Loss)/profit for the year	(4,348)	(3,671)	1,583	1,336	(2,765)	(2,335)
Other comprehensive income	(157)	(6)	142	22	(15)	16
Total comprehensive income for the year	(4,505)	(3,677)	1,725	1,358	(2,780)	(2,319)
(Loss)/profit attributable to the:						
- Owners of the parent	(2,826)	(2,386)	1,266	1,069	(1,560)	(1,317)
- Non-controlling interests	(1,522)	(1,285)	317	267	(1,205)	(1,018)
(Loss)/profit for the year	(4,348)	(3,671)	1,583	1,336	(2,765)	(2,335)
Total comprehensive income attributable to:						
- Owners of the parent	(2,928)	(2,390)	1,380	1,086	(1,548)	(1,304)
- Non-controlling interests	(1,577)	(1,287)	345	272	(1,232)	(1,015)
Total comprehensive income for the year	(4,505)	(3,677)	1,725	1,358	(2,780)	(2,319)
Net cash generated from/(used in)						
- Operating activities	3,622	6,892	3,911	2,629	7,533	9,521
- Investing activities	(1,188)	(1,660)	(613)	(736)	(1,801)	(2,396)
Net change in cash and cash equivalents	2,434	5,232	3,298	1,893	5,732	7,125

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

6. INTANGIBLE ASSETS

GROUP

	Goodwill	Trademark	Development		Computer software	Total
			Licence fees	right fees		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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>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>459,723</u>
2021						
<u>Net carrying amount</u>						
At beginning of year	427,482	7,646	19,670	38	3,421	458,257
Additions	-	-	1,575	-	1,303	2,878
Amortisation	-	-	(1,020)	(9)	(1,737)	(2,766)
Acquisition of subsidiary	132	-	-	-	-	132
Write off	-	-	(352)	-	-	(352)
At end of year	<u>427,614</u>	<u>7,646</u>	<u>19,873</u>	<u>29</u>	<u>2,987</u>	<u>458,149</u>
As at 30 June 2021						
Cost	430,499	7,646	28,159	114	12,148	478,566
Accumulated amortisation	-	-	(8,286)	(85)	(9,161)	(17,532)
Accumulated impairment	(2,885)	-	-	-	-	(2,885)
Net carrying amount	<u>427,614</u>	<u>7,646</u>	<u>19,873</u>	<u>29</u>	<u>2,987</u>	<u>458,149</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

6. INTANGIBLE ASSETS (CONTINUED)**6.1 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	
	2022	2021
	RM'000	RM'000
Malaysia	423,032	422,855
Singapore	4,759	4,759
	<u>427,791</u>	<u>427,614</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 post-tax discount rates, applied to cash flows, used for identified CGUs within the Malaysia segment and Singapore segment are in the range of 10.50% - 11.50% within the (2021: 10.50% -11.50%) and 11.50% (2021: 11.50%) respectively.

(3) Sensitivity to changes in assumptions

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

(4) Impairment

The Group continues to carry out impairment assessment on goodwill and no further impairment on goodwill is necessary as the recoverable amounts of the respective CGU is assessed to be higher than the carrying value of the CGU.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

6. INTANGIBLE ASSETS (CONTINUED)**6.2 Impairment testing on trademark**

(1) Key assumptions used in VIU calculation

The recoverable amount of a CGU is determined based on the VIU calculation using cash flow projection for the estimated savings on royalties based on financial budgets covering a five-year period. The key assumptions used for VIU calculations are:

(a) Estimated royalty rate

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

(b) Discount rate

The discount rate used reflects specific risks relating to the CGU. The post-tax discount rate, applied to cash flows, used for the identified CGU is 11.50% (2021: 11.50%).

(2) Sensitivity to changes in assumptions

Should the royalty rate decrease by 1.00% with all other variables held constant, the carrying amount of the trademark is expected to be impaired by RM1,012,000.

7. INVENTORIES

	Group	
	2022 RM'000	2021 RM'000
At cost		
Food and beverages	21,169	26,429
Inventories for resale	13,912	9,347
Spares and other supplies	16,719	10,209
	<u>51,800</u>	<u>45,985</u>

The cost of inventories recognised as an expense during the financial year of the Group amounted to RM279,708,000 (2021: RM196,745,000).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<u>Current</u>				
Trade receivables				
- external parties	7,699	7,638	-	-
- related companies	477	467	-	-
	<u>8,176</u>	<u>8,105</u>	<u>-</u>	<u>-</u>
Other receivables				
Sundry receivables	1,917	3,223	5	47
Less: Allowance for impairment	-	(2,253)	-	-
	<u>1,917</u>	<u>970</u>	<u>5</u>	<u>47</u>
Deposits	13,666	10,509	-	-
Amount owing by subsidiary companies	-	-	64,336	6,840
Amount owing by related company	22,467	-	-	-
	<u>38,050</u>	<u>11,479</u>	<u>64,341</u>	<u>6,887</u>
Other current assets				
Prepayments	10,680	3,066	26	-
Dividend receivable	-	-	22,080	18,400
	<u>10,680</u>	<u>3,066</u>	<u>22,106</u>	<u>18,400</u>
Total current receivables	<u>56,906</u>	<u>22,650</u>	<u>86,447</u>	<u>25,287</u>
<u>Non-current</u>				
Deposits	18,774	22,445	-	-
Total trade and other receivables	<u>75,680</u>	<u>45,095</u>	<u>86,447</u>	<u>25,287</u>

8.1 Trade receivables

The trade receivables are corporate customers and credit card companies which are generally on 6 - 90 (2021: 6 - 90) days term.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

8.2 Other receivables

(a) Sundry receivables

Sundry receivables are non-interest bearing and generally on 30 to 90 (2021: 30 to 90) days term.

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

	Group	
	2022 RM'000	2021 RM'000
At beginning of year	2,253	2,253
Written off	(2,253)	-
At end of year	<u>-</u>	<u>2,253</u>

(b) Amounts owing by subsidiary companies

The amounts owing by subsidiary companies are unsecured and repayable on demand. The amount totalling RM64,336,000 (2021: RM6,662,000) is interest bearing.

(c) Amounts owing by related company

This represents the invested sum of the investment fund as disclosed in Note 9 that is held by the fund manager, which is a related company of the Group. This amount is interest free, unsecured and repayable on demand.

9. SHORT TERM INVESTMENT

	Group	
	2022 RM'000	2021 RM'000
At fair value through profit or loss ("FVTPL"):		
Quoted shares in Malaysia	<u>25,758</u>	<u>-</u>

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 33 and Note 34.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

10. DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deposits with:				
Licensed banks	8,945	8,809	8,945	8,809
Other financial institutions	1,662	254	-	-
	<u>10,607</u>	<u>9,063</u>	<u>8,945</u>	<u>8,809</u>

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

	Group		Company	
	2022	2021	2022	2021
Interest rates per annum (%)				
- Licensed banks	1.75	1.50	1.75	1.50
- Other financial institutions	1.60	1.55	-	-
Maturities (days)				
- Licensed banks	25	19 - 23	25	19 - 23
- 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 RM9,203,000 (2021: RM9,063,000) and RM8,945,000 (2021: RM8,809,000) respectively.

11. SHARE CAPITAL

	Group and Company			
	Number of shares		Share capital	
	2022 '000	2021 '000	2022 RM'000	2021 RM'000
Issued and fully paid				
At beginning of year	383,686	382,142	246,774	243,938
Employees' share options exercised	5,840	1,544	10,767	2,780
Employees' share options forfeited	-	-	12	56
Employees' share options expired	-	-	367	-
At end of year	<u>389,526</u>	<u>383,686</u>	<u>257,920</u>	<u>246,774</u>

	Group and Company	
	Number of shares	
	2022 '000	2021 '000
Issued ordinary shares with voting rights		
Total number of issued ordinary shares	389,526	383,686
Less: Total numbers of ordinary shares held as treasury shares (Note 13)	(28,987)	(27,911)
	<u>360,539</u>	<u>355,775</u>

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

30 JUNE 2022

12. RESERVES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Merger deficit (Note a)	(55,087)	(55,087)	-	-
Employees' share plan reserve (Note b)	-	3,629	-	3,629
Consolidation reserve (Note c)	729	729	-	-
Exchange reserves	903	898	-	-
	(53,455)	(49,831)	-	3,629
Retained earnings (Note d)	328,612	220,015	206,172	93,924
	<u>275,157</u>	<u>170,184</u>	<u>206,172</u>	<u>97,553</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) Employees' share plan ("ESP") reserve

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

(c) Consolidation reserve

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

(d) Retained earnings

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

13. TREASURY SHARES

	Group and Company			
	Ordinary shares			
	2022	2021	2022	2021
No. of shares	No. of shares	RM'000	RM'000	
'000	'000			
At beginning of year	27,911	28,423	41,388	42,145
Shares bought back during the year	1,700	-	4,973	-
Reissued for ESS shares vested	(624)	(512)	(924)	(757)
At end of year	<u>28,987</u>	<u>27,911</u>	<u>45,437</u>	<u>41,388</u>

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.

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 9 December 2021.

During the financial year, the Company bought back 1,700,000 shares from the open market at an average price of about RM2.93 per share for a total cash consideration of approximately RM4,973,000 with internally generated funds. The shares bought back are held as treasury shares. During the financial year, 624,000 (rounded to nearest thousand) shares were reissued for the vesting of ESS shares.

14. LONG TERM BORROWINGS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Secured				
Term loan (Note a)	91,710	126,497	91,710	126,497
Portion repayable within 12 months included under short term borrowings (Note 18)	-	(14,956)	-	(14,956)
	<u>91,710</u>	<u>111,541</u>	<u>91,710</u>	<u>111,541</u>
Hire purchase payable (Note b)	4,778	6,566	-	-
Portion repayable within 12 months included under short term borrowings (Note 18)	(1,557)	(1,795)	-	-
	<u>3,221</u>	<u>4,771</u>	<u>-</u>	<u>-</u>
	<u>94,931</u>	<u>116,312</u>	<u>91,710</u>	<u>111,541</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

14. LONG TERM BORROWINGS (CONTINUED)

Details of the long term borrowings outstanding are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Amounts repayable:				
More than one year				
but not later than two years	41,250	21,407	39,866	19,888
More than two years				
but not later than five years	53,681	94,905	51,844	91,653
	<u>94,931</u>	<u>116,312</u>	<u>91,710</u>	<u>111,541</u>

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 10.

The interest rate per annum at the reporting date for the term loan was 3.84% (2021: 3.80%).

- (b) The Group's hire purchase payable bore effective interest rate of 2.70% to 5.35% (2021: 2.99% to 5.35%) per annum.

15. DEFERRED TAX

	Group	
	2022 RM'000	2021 RM'000
At beginning of the year	(3,182)	(5,992)
Recognised in profit or loss	(4,140)	2,810
At end of the year	<u>(7,322)</u>	<u>(3,182)</u>

Presented after appropriate offsetting as follows:

	Group	
	2022 RM'000	2021 RM'000
Deferred tax assets	(7,322)	(3,182)
Deferred tax liabilities	-	-
	<u>(7,322)</u>	<u>(3,182)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

15. DEFERRED TAX (CONTINUED)

GROUP

	Contract liabilities	Unabsorbed capital allowances	Others	Total
	RM'000	RM'000	RM'000	RM'000
Deferred Tax Assets				
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				<u>18,299</u> <u>(7,322)</u>
2021				
At beginning of the period	(18,938)	(1,363)	(2,128)	(22,429)
Recognised in profit or loss	4,827	24	(3,906)	945
At end of the year	<u>(14,111)</u>	<u>(1,339)</u>	<u>(6,034)</u>	<u>(21,484)</u>
Set-off against deferred tax liabilities				<u>18,302</u> <u>(3,182)</u>

GROUP

	Property, plant and equipment	Total
	RM'000	RM'000
Deferred Tax Liabilities		
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>
2021		
At beginning of the year	16,437	16,437
Recognised in profit or loss	1,865	1,865
At end of the year	<u>18,302</u>	<u>18,302</u>
Set-off against deferred tax assets		<u>(18,302)</u> <u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

15. DEFERRED TAX (CONTINUED)

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

	Group	
	2022	2021
	RM'000	RM'000
Unutilised tax losses	13,906	13,259
Unabsorbed capital allowances	1,412	4,963
	<u>15,318</u>	<u>18,222</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	
	2022	2021
	RM'000	RM'000
With no expiry	1,412	4,963
More than 12 months	13,906	13,259
	<u>15,318</u>	<u>18,222</u>

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2022

16. PROVISIONS

	Group	
	2022 RM'000	2021 RM'000
At beginning of year	17,011	16,267
Provision for the year	2,373	1,701
Utilisation of provision	(691)	(960)
Exchange differences	29	3
At end of year	<u>18,722</u>	<u>17,011</u>
At 30 June		
Current	5,899	4,324
Non-current	12,823	12,687
	<u>18,722</u>	<u>17,011</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.

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade payables	51,249	36,829	-	-
Other payables				
Sundry payables	30,062	13,809	-	-
Accruals	40,400	39,237	1,877	1,208
Refundable deposit	1,296	1,568	-	-
Amount owing to				
- related companies	413	245	15	8
- subsidiary company	-	-	22,344	23,612
	<u>72,171</u>	<u>54,859</u>	<u>24,236</u>	<u>24,828</u>
Other current liability				
Indirect tax payable	11,454	5,421	-	-
	<u>134,874</u>	<u>97,109</u>	<u>24,236</u>	<u>24,828</u>

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 - 120 days (2021: 30 - 120 days) term.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

17. TRADE AND OTHER PAYABLES (CONTINUED)

(b) Sundry payables

These amounts are non-interest bearing. Sundry payables are normally settled on 30 - 180 days (2021: 30 - 180 days) term.

(c) Accruals

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

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

The amounts owing to subsidiary companies are unsecured and repayable on demand, except for an amount of RM22,344,000 (2021: RM23,612,000) which is interest bearing at 5.75% (2021: 6%).

18. SHORT TERM BORROWINGS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Secured				
Long term loan - portion repayable within 12 months (Note 14)	-	14,956	-	14,956
Short term loan	14,000	15,000	-	-
Revolving credits	95,000	135,000	-	-
Bankers acceptance	-	3,160	-	-
Hire purchase payable - portion repayable within 12 months (Note 14)	1,557	1,795	-	-
	<u>110,557</u>	<u>169,911</u>	<u>-</u>	<u>14,956</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 10.

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

	Group		Company	
	2022 %	2021 %	2022 %	2021 %
Secured				
Short term loan	5.75	5.75 - 6.30	-	-
Revolving credits	3.41 - 3.93	3.40 - 3.98	-	-
Bankers acceptance	1.00 - 1.96	1.00 - 3.90	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

19. 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	
	2022 RM'000	2021 RM'000
At beginning of year	59,295	78,760
Deferred during the year	466,467	330,896
Recognised during the year	(449,285)	(350,361)
At end of year	<u>76,477</u>	<u>59,295</u>

20. REVENUE

Revenue consists of the following:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from contract with customers:				
Sale of food, beverages and merchandises	997,762	717,337	-	-
Other revenue:				
Dividend income from subsidiary company	-	-	117,990	54,740
	<u>997,762</u>	<u>717,337</u>	<u>117,990</u>	<u>54,740</u>
Timing of revenue recognition				
- at a point in time	<u>997,762</u>	<u>717,337</u>		

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

21. FINANCE COSTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest expenses on				
- Bank borrowings	8,453	11,511	4,317	4,982
- Charge out of deferred transaction costs	213	240	213	240
- Amounts due to subsidiary company	-	-	1,232	1,452
- Hire purchase	511	456	-	-
- Lease liabilities (Note 4(b))	17,098	17,147	-	-
- Loan related expenses	293	565	-	-
	<u>26,568</u>	<u>29,919</u>	<u>5,762</u>	<u>6,674</u>

22. PROFIT BEFORE TAX

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before tax				
is arrived at after charging:				
Auditors' remuneration				
- statutory audit fee				
- Ernst & Young PLT	368	334	120	125
- Others	54	45	-	-
- underprovision in prior years	75	53	62	-
- fees for non-audit services	301	76	222	17
Depreciation of:				
- property, plant and equipment	44,480	44,769	2	2
- right-of-use assets	76,474	78,052	-	-
Amortisation of intangible assets	2,374	2,766	-	-
Royalty expense payable to				
- related company	274	165	-	-
- third party	52,648	38,762	-	-
Staff costs (Note a)	176,973	146,261	486	294
Expenses relating to leases:				
- short-term leases	4,255	6,882	-	-
- leases of low-value assets	111	62	-	-
- relating to variable leases payments not included in the measurement of lease liabilities	19,849	2,970	-	-
Loss on foreign exchange	852	257	-	-
Other expenses (Note c)	5,908	8,173	-	2,326
	<u>5,908</u>	<u>8,173</u>	<u>-</u>	<u>2,326</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

22. PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
and crediting:				
Gain on foreign exchange	574	537	-	-
Other income (Note d)	13,363	14,186	19,443	471

(a) Staff costs consist of the following:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Wages, salaries and allowances	129,216	106,246	375	257
Social security costs and employees insurance	2,503	1,817	5	3
Bonuses	10,760	6,112	54	-
Pension costs				
- defined contribution plans	16,336	13,603	52	32
Share-based payments (Note b)	51	236	-	-
Other staff related expenses	18,107	18,247	-	2
	<u>176,973</u>	<u>146,261</u>	<u>486</u>	<u>294</u>

Staff costs exclude remuneration of directors.

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Share-based payments for:				
- employees of the Group	51	236	-	-
- directors of the Company	36	181	36	181
	<u>87</u>	<u>417</u>	<u>36</u>	<u>181</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

22. PROFIT BEFORE TAX (CONTINUED)

(c) Other expenses

Included in other expenses are the following:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Impairment in value of:				
- investment in subsidiaries	-	-	-	2,326
- property, plant and equipment	795	4,114	-	-
- right-of-use-assets	912	604	-	-
Loss on deemed disposal of a subsidiary company	-	100	-	-
Loss on sale of property, plant and equipment	91	-	-	-
Fair value loss of FVTPL equity investment quoted in Malaysia	372	-	-	-
Foreign currency reserve transferred to profit or loss due to disposal of a subsidiary company	-	63	-	-
Intangible assets written off	-	352	-	-
Property, plant and equipment written off	3,738	2,939	-	-

(d) Other income

Included in other income are the following:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest income				
- subsidiary company	-	-	276	350
- financial institutions	312	222	153	121
Royalty fee income from a related company	166	57	-	-
Gain on sale of property, plant and equipment	52	8	-	-
Reversal of impairment in value of investment in subsidiary company	-	-	19,014	-
Government grant subsidy	3,980	4,251	-	-
Gain on lease modification	2,142	1,411	-	-
Service charge income	4,151	3,062	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

23. 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Directors of the Company				
Executive				
- Salaries and other emoluments	1,668	1,560	172	162
- Bonus	487	210	36	24
- Benefit-in-kind	23	26	-	-
	<u>2,178</u>	<u>1,796</u>	<u>208</u>	<u>186</u>
Non-executive				
- Fees	180	180	180	180
- Bonus	50	25	50	25
- Other emoluments	385	375	385	375
	<u>615</u>	<u>580</u>	<u>615</u>	<u>580</u>
Total directors' remuneration	<u>2,793</u>	<u>2,376</u>	<u>823</u>	<u>766</u>

24. INCOME TAX EXPENSE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current income tax				
- Malaysian tax	69,849	26,517	88	78
- Foreign tax	416	299	-	-
	<u>70,265</u>	<u>26,816</u>	<u>88</u>	<u>78</u>
Under/(over) provision in prior year				
- Malaysian tax	(820)	(626)	(1)	-
- Foreign tax	22	-	-	-
	<u>(798)</u>	<u>(626)</u>	<u>(1)</u>	<u>-</u>
	<u>69,467</u>	<u>26,190</u>	<u>87</u>	<u>78</u>
Deferred tax				
- Relating to origination and reversal of temporary differences	(4,630)	2,002	-	-
- Under provision in prior year	490	808	-	-
	<u>(4,140)</u>	<u>2,810</u>	<u>-</u>	<u>-</u>
Income tax expense	<u>65,327</u>	<u>29,000</u>	<u>87</u>	<u>78</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 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

30 JUNE 2022

24. 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before tax	187,992	74,726	128,514	44,173
Applicable tax rate (%)	24	24	24	24
Taxation at applicable tax rate	45,118	17,934	30,843	10,602
Income not subject to tax	(263)	(430)	(32,881)	(13,138)
Expenses not deductible under tax legislation	8,816	10,563	2,126	2,614
Effect of "Prosperity tax" rate at 33%	12,453	-	-	-
Effect of different tax rate in other countries	188	(84)	-	-
Effect of withholding tax	20	7	-	-
Deferred tax assets not recognised during the financial year	-	828	-	-
Utilisation of previously unrecognised deferred tax assets	(697)	-	-	-
Over provision of income tax in prior years	(798)	(626)	(1)	-
Under provision of deferred tax in prior years	490	808	-	-
Income tax expense	65,327	29,000	87	78

25. EARNINGS PER SHARE

(a) Basic

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

	Group	
	2022 RM'000	2021 RM'000
Profit attributable to equity holders	124,776	47,112
Weighted average number of ordinary shares with voting rights in issue ('000) *	1,799,423	1,771,965
Basic earnings per share (sen)	6.93	2.66

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2022

25. 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	
	2022	2021
	RM'000	RM'000
Profit attributable to equity holders	124,776	47,112
Weighted average number of ordinary shares with voting rights in issue ('000) *	1,799,423	1,771,965
Assumed shares issued from the		
- exercise of ESS options - 1st offer ('000)	-	1,633
- exercise of ESS options - 2nd offer ('000)	-	11
- exercise of ESS options - 3rd offer ('000)	-	28
- vesting of ESS share - 1st offer ('000)	-	559
- vesting of ESS share - 2nd offer ('000)	-	46
- vesting of ESS share - 3rd offer ('000)	-	20
Adjusted weighted average number of ordinary shares with voting rights in issue ('000)	1,799,423	1,774,262
Diluted earnings per share (sen)	6.93	2.66

* 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 37 (1)).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

26. DIVIDENDS

	Company			
	2022 Dividend per share Sen	2022 Dividend RM'000	2021 Dividend per share Sen	2021 Dividend RM'000
Recognised during the year:				
<u>in respect of preceeding financial year</u>				
- 4th interim dividend of 1.0 sen single-tier dividend (30.6.2021: Nil)	1.00	3,578	-	-
<u>in respect of current financial year</u>				
- 1st interim dividend of 1.0 sen single-tier dividend (30.6.2021: 1st interim dividend of 0.50 sen single-tier dividend)	1.00	3,622	0.50	1,772
- 2nd interim dividend of 1.0 sen single-tier dividend (30.6.2021: 2nd interim dividend of 0.50 sen single-tier dividend)	1.00	3,605	0.50	1,773
- 3rd interim dividend of 1.50 sen single-tier dividend (30.6.2021: 3rd interim dividend of 1.0 sen single-tier dividend)	1.50	5,408	1.00	3,557
	<u>4.50</u>	<u>16,213</u>	<u>2.00</u>	<u>7,102</u>

Note:

Dividend rates were based on the issued share capital prior to the bonus issue as disclosed in Note 38 (1).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

27. SEGMENTAL INFORMATION

The Group operates predominantly in one business segment in Malaysia and outside Malaysia. The primary format, geographical segments, is based on the Group's management and internal reporting structure.

Unallocated assets include items relating to investing and financing activities and items that cannot be reasonably allocated to individual segments.

Results	2022 RM'000	2021 RM'000
Malaysia	219,448	105,228
Other South-East Asian countries	(2,210)	1,049
	<u>217,238</u>	<u>106,277</u>
Unallocated corporate expenses	(2,990)	(2,017)
	<u>214,248</u>	<u>104,260</u>
Investment related income		
- interest income	312	222
	<u>214,560</u>	<u>104,482</u>
Investment related expenses		
- Foreign currency reserve transferred to profit or loss due to disposal of a subsidiary company	-	63
- Loss on disposal of subsidiary company	-	100
	<u>214,560</u>	<u>104,645</u>
Finance costs	(26,568)	(29,919)
Profit before tax	187,992	74,726
Income tax expenses	(65,327)	(29,000)
Profit for the year	<u>122,665</u>	<u>45,726</u>

	Revenue	Capital	Assets	Liabilities
	RM'000	expenditure	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000
2022				
Malaysia	968,297	195,944	836,681	613,710
Other South-East Asian countries	29,465	2,938	34,608	34,464
	<u>997,762</u>	<u>198,882</u>	<u>871,289</u>	<u>648,174</u>
Unallocated items	-	-	467,045	205,488
Total	<u>997,762</u>	<u>198,882</u>	<u>1,338,334</u>	<u>853,662</u>
2021				
Malaysia	690,296	85,395	678,518	481,526
Other South-East Asian countries	27,041	4,359	37,671	35,179
	<u>717,337</u>	<u>89,754</u>	<u>716,189</u>	<u>516,705</u>
Unallocated items	-	-	461,463	286,223
Total	<u>717,337</u>	<u>89,754</u>	<u>1,177,652</u>	<u>802,928</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

28. EMPLOYEES' SHARE SCHEME

The Company implemented an ESS which came into effect on 18 November 2016 for a period of 5 years to 17 November 2021. The ESS is governed by the By-Laws which were approved by the shareholders on 5 October 2016.

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

- (a) The aggregate maximum number of ESS Shares and ESS Options that may be granted to any eligible director or employee of the Group shall be determined by the ESS Committee provided that:
 - (i) the directors (including non-executive directors) and eligible employees do not participate in the deliberation and discussion of their own allocation and the allocation to any person connected with them;
 - (ii) no allocation of more than seventy percent (70%) of the total of ESS Shares and ESS Options shall be made in aggregate to the directors and/or senior management of the Group; and
 - (iii) no allocation of more than ten percent (10%) of the ESS Shares and ESS Options shall be made to any eligible directors or employee of the Group who, either singly or collectively through persons connected with them, hold more than twenty percent (20%) of the issued and paid-up share capital of the Company (excluding treasury shares, if any).
- (b) An eligible employee shall pay a sum of RM1.00 as consideration for acceptance of that offer. The ESS options shall be exercisable at a price which is the five-day weighted average market price of the shares in the Company on the date of offer, with a discount not exceeding ten per cent.
- (c) The ESS Committee may in its absolute discretion and subject to compliance with the provisions of the Companies Act 2016 and the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, decide that the ESS Shares to be satisfied by issuance of new ordinary shares of the Company, acquisition of existing issued ordinary shares of the Company from the market, payment of cash or a combination of the above.
- (d) The Company establish a Trust to be administered by a trustee consisting of such trustee appointed by the Company ("Trustee") from time to time for the purposes of subscribing for new ordinary shares of the Company and/or acquiring existing issued ordinary shares of the Company and transferring to the participants at such time as the ESS Committee shall direct.
- (e) The new ordinary shares issued upon the ESS will be subject to all the provisions of the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and shall rank pari passu in all respects with the existing issued ordinary shares of the Company, save and except that the new shares shall not be entitled for any dividends, rights, allotments and/or other distribution in respect of which the entitlement date is prior to the allotment of the new shares to the Trustee.
- (f) The existing issued ordinary shares procured pursuant to the ESS shall rank pari passu in all respect with the existing issued ordinary shares of the Company, save and except that the Trustee shall not be entitled for any dividends, rights, allotments and/or other distribution in respect of which the entitlement date is prior to the date on which the existing issued ordinary shares of the Company are credited into the CDS Account of the Trustee.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

28. EMPLOYEES' SHARE SCHEME (CONTINUED)

(i) ESS Options

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

	<u>Grant date</u>	<u>Exercise price</u>
First offer	6.2.2017	RM1.44
Second offer	14.10.2019	RM1.27
Third offer	3.1.2021	RM1.25

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

	<u>Company</u>				<u>WAEP (RM)</u>
	<u>1st Offer</u>	<u>2nd Offer</u>	<u>3rd Offer</u>	<u>Total</u>	
	<u>Units</u>	<u>Units</u>	<u>Units</u>	<u>Units</u>	
	<u>'000</u>	<u>'000</u>	<u>'000</u>	<u>'000</u>	
Outstanding at beginning of year	6,638	32	80	6,750	1.44
- Forfeited	(16)	-	-	(16)	1.44
- Exercised	(5,727)	(32)	(80)	(5,839)	1.44
- Expired	(895)	-	-	(895)	
Outstanding at end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Exercisable at end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	

- The weighted average share price at the date of exercise of the ESS Options exercised during the financial year was RM2.02 per share.
- The ESS options had expired on 17 November 2021.

The fair value of the ESS Options granted is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the instruments were granted.

The following table lists the inputs to the option pricing model and the respective fair value:

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

28. EMPLOYEES' SHARE SCHEME (CONTINUED)

(ii) ESS Shares

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

	Company			
	1st Offer	2nd Offer	3rd Offer	Total
	Units	Units	Units	Units
	'000	'000	'000	'000
Balance at beginning of year	559	46	20	625
- Vested	(558)	(46)	(20)	(624)
- Forfeited	(1)	-	-	(1)
Balance at end of year	-	-	-	-

The fair value of ESS Shares is determined using binominal model option pricing model, taking into account the terms and conditions upon which the instruments were granted.

The following table lists the inputs to the option pricing model and the respective fair value:

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Management fees payable to BCorp		300	300	300	300
Purchase of cleaning material from Kimia Suchi Marketing Sdn Bhd	a	153	154	-	-
Promotion and advertising expenses charged by Sun Media Corporation Sdn Bhd	b	162	161	119	68
Loyalty reward charges and reload card payable to BLoyalty Sdn Bhd	a	82	130	-	-
Rental of premises payable to Berjaya Times Square Sdn Bhd*	b	1,046	1,385	-	-
Security guard services payable to Berjaya Guard Services Sdn Bhd	a	393	421	-	-
Sales of products to 7-Eleven Malaysia Sdn Bhd	c	(7,082)	(4,172)	-	-
Procurement of advertising services charged by 7-Eleven Malaysia Sdn Bhd	c	1,789	781	-	-
Provision of leasing and hire purchase facilities by Prime Credit Leasing Berhad	a	-	4,123	-	-
Purchase of property units from Berjaya Times Square Sdn Bhd	b	15,675	-	-	-

Notes:

- (a) Subsidiary company of BCorp group.
(b) Associate company of BCorp group.
(c) 7-Eleven Malaysia Sdn Bhd is a wholly-owned subsidiary of 7-Eleven Malaysia Holdings Berhad. Tan Sri Dato' Seri Vincent Tan Chee Yioun, a major shareholder of BCorp, is a deemed major shareholder of 7-Eleven Malaysia Sdn Bhd by virtue of his direct and indirect interests in 7-Eleven Malaysia Holdings Berhad.

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

The purchase of products such as cleaning material and rendering of services by related companies to the Group and the Company and other related parties are entered into based on mutually agreed terms between the related parties.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

30. 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Short-term benefits	2,501	2,026	759	706
Post-employment benefits	292	350	64	60
Share-based payments	36	181	36	181
	<u>2,829</u>	<u>2,557</u>	<u>859</u>	<u>947</u>

31. COMMITMENTS

	Group	
	2022 RM'000	2021 RM'000
Capital expenditure		
Property, plant and equipment		
- approved and contracted for	21,364	12,824
- others	5,175	4,151
	<u>26,539</u>	<u>16,975</u>
Share subscription in		
- joint venture	15,000	-
	<u>41,539</u>	<u>16,975</u>

32. 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.

33. 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 2022

33. FAIR VALUE MEASUREMENT (CONTINUED)

33.1 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
2022				
Financial assets				
Short term investment	25,758	-	-	25,758

34. FINANCIAL INSTRUMENTS

34.1 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Financial assets				
<u>Fair value through profit or loss</u>				
Short term investment	25,758	-	-	-
<u>Amortised costs</u>				
Trade and other receivables	65,000	42,029	64,341	6,887
Deposits with financial institutions	10,607	9,063	8,945	8,809
Cash and bank balances	32,337	18,684	673	845
	107,944	69,776	73,959	16,541
Total financial assets	133,702	69,776	73,959	16,541
Financial liabilities				
<u>Amortised costs</u>				
Trade and other payables	123,420	91,688	24,236	24,828
Lease liabilities	403,672	343,003	-	-
Long term borrowings	94,931	116,312	91,710	111,541
Short term borrowings	110,557	169,911	-	14,956
Total financial liabilities	732,580	720,914	115,946	151,325

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

34. FINANCIAL INSTRUMENTS (CONTINUED)

34.2 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	8
Long term borrowings	14
Trade and other payables	17
Short term borrowings	18

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

The fair value of the lease liability is estimated by discounting expected future cash flows at IBR for similar type of leasing arrangement at reporting date.

35. 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.

35.1 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 2022

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

35.1 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<u>Fixed rate instruments</u>				
Financial assets	10,607	9,063	73,281	15,471
Financial liabilities	4,778	6,566	22,344	23,612
<u>Floating rate instruments</u>				
Financial liabilities	200,710	279,657	91,710	126,497

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 RM502,000 (2021: RM699,000) and by RM229,000 (2021: RM316,000), respectively. This analysis assumes that all the other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

35.1 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**

	2022 RM'000	2021 RM'000
Trade and other payables	3,374	12,604

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:

	2022 RM'000	2021 RM'000
<u>(Decrease)/increase</u>		
USD/RM - strengthened 10%	(256)	(958)
- weakened 10%	256	958

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

35.2 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	
	2022	2021
	RM'000	RM'000
Current	5,708	5,877
1 to 30 days	1,240	466
31 to 60 days	1,148	879
61 to 90 days	21	26
More than 90 days	59	857
	<u>2,468</u>	<u>2,228</u>
	<u>8,176</u>	<u>8,105</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 2022

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

35.2 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.

Amount owing by subsidiary companies

The Company applied the 3-stage general approach to measuring expected credit losses for amount 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.

35.3 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 2022, the net current liabilities of the Group were RM229,909,000 (2021: RM296,521,000). 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 2022

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

35.3 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
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>
2021				
Financial liabilities				
Trade and other payables	91,688	-	-	91,688
Lease liabilities	79,216	198,078	134,217	411,511
Borrowings	183,726	129,208	-	312,934
	<u>354,630</u>	<u>327,286</u>	<u>134,217</u>	<u>816,133</u>
Company				
	On demand or within one year	One to five years	Total	
	RM'000	RM'000	RM'000	
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>	
2021				
Financial liabilities				
Trade and other payables	24,828	-	24,828	
Borrowings	21,733	123,769	145,502	
	<u>46,561</u>	<u>123,769</u>	<u>170,330</u>	

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

36. 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	
	2022	2021
	RM'000	RM'000
Long term borrowings	94,931	116,312
Short term borrowings	110,557	169,911
Total debt	<u>205,488</u>	<u>286,223</u>
Total equity	<u>484,672</u>	<u>374,540</u>
Gearing ratio	<u>42.40%</u>	<u>76.42%</u>

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

37. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 22 December 2021, Berjaya Starbucks Coffee Company Sdn Bhd, a wholly owned subsidiary of the Group, had entered into two separate Sale and Purchase Agreements with Berjaya Times Square Sdn Bhd, a wholly owned subsidiary of Berjaya Assets Berhad for the proposed acquisition of two freehold commercial units located at Level 10, Berjaya Times Square for a cash consideration of RM15.67 million.

The acquisition was completed on 28 February 2022.

38. SIGNIFICANT EVENTS SUBSEQUENT TO 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 held on an entitlement date on 5 September 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 shares on the Main Market of Bursa Securities.

- 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, Berjaya Paris Baguette Sdn Bhd 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.

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 2022 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 95 to 170.

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 2022, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA FOOD BERHAD

(INCORPORATED IN MALAYSIA)

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

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

1. Impairment of Goodwill relating to the Malaysia segment

(refer to Note 2.2.5 and Note 6 to the financial statements)

Goodwill relating to the Malaysia segment amounting to RM423,032,000 formed 36% and 32% of non-current assets and total assets of the Group as at 30 June 2022, 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;
- 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 6 to the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BERJAYA FOOD BERHAD
(INCORPORATED IN MALAYSIA)**

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 27 to the financial statements)

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

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 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 20 to the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA FOOD BERHAD

(INCORPORATED IN MALAYSIA)

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

Reversal of impairment of investment in subsidiary company

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

As at 30 June 2022, the carrying amount of the investment in subsidiary companies amounted to RM438,549,000, representing 100% and 82% of the Company's total non-current assets and total assets respectively. Included in this amount is accumulated impairment of RM20,008,000 (2021: RM39,022,000) on certain subsidiary companies.

At the reporting date, the Company reviews its investment for potential reversal of impairment of investment previously recorded due to improved performance and profitability of the subsidiary companies mentioned above. 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 reversed impairment of investment of RM19,014,000 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 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;
- 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)**

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)

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)**

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ERNST & YOUNG PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

CHONG TSE HENG
No. 03179/05/2023 J
Chartered Accountant

Kuala Lumpur, Malaysia
Date: 11 October 2022

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE FOR THE YEAR ENDED 30 JUNE 2022

Berjaya Food Berhad ("BFood") Group with the following Related Parties	Nature of transactions undertaken by BFood and/or its unlisted subsidiaries	Amount transacted from 1.7.2021-30.6.2022 (RM'000)
Berjaya Corporation Berhad ("BCorp") and its unlisted subsidiaries:-		
BCorp	Management fees payable by BFood for services rendered that include, inter-alia, the provision of finance, secretarial, internal audit and general administrative services.	300
BCorp and its subsidiaries	Income receivable by Berjaya Food Trading Sdn Bhd ("BFT") from sale of bottled beverages and consumable products.	6
BLoyalty Sdn Bhd	Procurement of reload card and other related services by Berjaya Roasters (M) Sdn Bhd ("BRoasters").	9
	Loyalty reward charges payable by BFood Group.	74
Berjaya Registration Services Sdn Bhd	Receipt of share registration services and other related services by BFood.	50
Kimia Suchi Marketing Sdn Bhd	Purchase of cleaning chemical products by BRoasters.	153
Roasters Asia Pacific (M) Sdn Bhd	Royalty fee payable by BRoasters.	147
Berjaya Roasters Pte Ltd	Royalty fee payable by BRoasters in respect of ongoing training and support services.	127
Securexpress Services Sdn Bhd	Provision of transportation services to BFood Group.	33
E.V.A. Management Sdn Bhd	Receipt of human resource management services by BFood Group.	127
RC Residence Sdn Bhd (formerly known as Wangsa Tegap Sdn Bhd)	Rental payable by Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") at RM31,830 per month or 15% of monthly net sales generated, whichever is higher, for renting of shoplot at Lot 1-1-1A, Menara Bangkok Bank, Laman Sentral Berjaya, No.1, Jalan Ampang, 50450 Kuala Lumpur	293
Total		1,319
Berjaya Land Berhad ("BLand") and its unlisted subsidiaries:-		
Berjaya Guard Services Sdn Bhd	Receipt of security guard services by BStarbucks.	393
ANSA Hotel KL Sdn Bhd	Rental payable by BStarbucks at RM90.572 per month for renting of shoplot at Lot 03, Ground floor, ANSA Hotel KL, Bukit Bintang, 55100 Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	1,011

**RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE
FOR THE YEAR ENDED 30 JUNE 2022**

Berjaya Food Berhad (“BFood”) Group with the following Related Parties	Nature of transactions undertaken by BFood and/or its unlisted subsidiaries	Amount transacted from 1.7.2021-30.6.2022 (RM’000)
Berjaya Land Berhad (“BLand”) and its unlisted subsidiaries:- (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 RM12,397 per month or based on 10% of monthly gross sales generated, whichever is higher, for renting of shoplot and outdoor seating at Lot G-15, Ground Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	314
	Rental payable by BStarbucks at RM283 per month for renting of storage space at Lot S2.B, 2nd Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	3
Nural Enterprise Sdn Bhd	Rental payable by BStarbucks at RM6,200 per month for renting of office at Lot 1.07-1.08, Podium Block, Plaza Berjaya, No.12, Jalan Imbi, 55100 Kuala Lumpur. Tenure of the rental agreement is for a period of three years and renewable thereafter.	75
BLand and its subsidiaries	Income receivable by BFT from sale of bottled beverages and consumable products.	45
Total		1,938

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

FOR THE YEAR ENDED 30 JUNE 2022

Berjaya Food Berhad (“BFood”) Group with the following Related Parties	Nature of transactions undertaken by BFood and/or its unlisted subsidiaries	Amount transacted from 1.7.2021-30.6.2022 (RM'000)
Berjaya Assets Berhad (“BAssets”) and its subsidiary companies:-		
BTS Car Park Sdn Bhd	Parking charges payable by BFood Group.	119
Berjaya Times Square Sdn Bhd	Rental payable at RM5,490 per month in year 1, RM6,863 per month in year 2 and RM8,235 per month in year 3 or based on 15% of monthly gross sale, whichever is higher, for renting of shoplot by BRoasters at Lot 03-85, 3rd Floor, Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	290
	Rental payable at RM423 per month for renting of walkway area by BRoasters adjacent to Lot 03-85A, 3rd Floor, Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	5
	Rental payable at RM18,941 per month for renting of office by BRoasters at Lots 09-06 to 09-13, 9th Floor, Berjaya Times Square, No.1, Jalan Imbi, Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	227
	Rental payable at RM23,400 per month for renting of office by BStarbucks at Lot 10-02, Level 10, West Wing, Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	187
	Rental payable at RM619 per month for renting of store room by BStarbucks at Lot 10-02c, Level 10, West Wing, Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	5
	Rental payable at RM1,240 per month for renting of store room by BStarbucks at Lot 10-10E, Level 10, West Wing, Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	15
Rental payable at RM12,908 per month for renting of walkway areas by BStarbucks at Lot No. G-09C and G-09D, G-09E and G-09G Ground Floor, Berjaya Times Square, No.1, Jalan Imbi, 55100 Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	122	

**RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE
FOR THE YEAR ENDED 30 JUNE 2022**

Berjaya Food Berhad (“BFood”) Group with the following Related Parties	Nature of transactions undertaken by BFood and/or its unlisted subsidiaries	Amount transacted from 1.7.2021-30.6.2022 (RM’000)
Berjaya Assets Berhad (“BAssets”) and its subsidiary companies:- (continued)		
Berjaya Times Square Sdn Bhd	Rental payable at RM15,008 per month for renting of office by BStarbucks at Lot 10-01E Level 10, West Wing, Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	120
	Rental payable by BStarbucks at RM4,716 per month for renting of office at Lot 10-01F (expansion area), Level 10, West Wing, Berjaya Times Square, No.1, Jalan Imbi, 55100 Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	38
	Rental payable 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.	28
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, No.88, Jalan Ibrahim Sultan Stulang Laut, 80300 Johor Bahru. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	67
Total		1,223

**RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE**
FOR THE YEAR ENDED 30 JUNE 2022

Berjaya Food Berhad (“BFood”) Group with the following Related Parties	Nature of transactions undertaken by BFood and/or its unlisted subsidiaries	Amount transacted from 1.7.2021-30.6.2022 (RM’000)
7-Eleven Malaysia Holdings Berhad (“7-Eleven Holding”) and its subsidiary company:-		
7-Eleven Malaysia Sdn Bhd (7-Eleven) (a)	Income receivable by BFT for sale of bottled beverage and consumable products.	7,082
	Procurement of advertising services by BFT.	1,787
Total		8,869
Other related parties		
Sun Media Corporation Sdn Bhd	Procurement of advertising and publishing services by BFood Group	162
Qinetics MSP Sdn Bhd (b)	Purchase of hardware, software and network equipment, maintenance and management services by BFood Group.	32
Total		194
Grand total		13,543

Notes:

- 7-Eleven is a wholly-owned subsidiary of 7-Eleven Holdings. Tan Sri Dato’ Seri Vincent Tan Chee Yioun (“TSVT”) is a deemed Major Shareholder of 7-Eleven by virtue of his direct and indirect interests in 7-Eleven Holdings.
- Qinetics MSP Sdn Bhd is a 100%-owned subsidiary of Qinetics Solutions Sdn Bhd which in turn is an 83.97%-owned subsidiary of MOL.com Sdn Bhd. TSVT is a Major Shareholder of MOL.com Sdn Bhd by virtue of his 81.17% direct interest.

OTHER INFORMATION

Material Contracts

Other than as disclosed in Notes 8, 17, 20, 22, 29 and 31 to the financial statements for the financial year ended 30 June 2022, 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 2022 amounted to RM301,000.

Additional Disclosures

The Company had granted Employees' Share Scheme ("ESS") which comprises ESS Options and ESS Shares governed by the By-Laws that was approved by the Company's shareholders at the Extraordinary General Meeting held on 5 October 2016. The ESS is to be in force for a period of five (5) years from 18 November 2016. There is one (1) ESS in existence during the financial year ("FYE") ended 30 June 2022 with information as follows:-

	Total ESS Options		Total ESS Shares		Grand Total	
	During FYE 30-Jun 2022	Since Commencement on 18 November 2016	During FYE 30-Jun 2022	Since Commencement on 18 November 2016	During FYE 30-Jun 2022	Since Commencement on 18 November 2016
Total number of options and shares granted	-	12,557,800	-	3,155,450	-	15,713,250
Total number of options and shares vested	-	11,302,080	623,850	2,553,610	623,850	13,855,690
Total number of options and shares exercised	5,711,650	9,135,960	-	-	5,711,650	9,135,960
Total options and shares outstanding	-	-	-	-	-	-

Granted to Directors	Total ESS Options		Total ESS Shares		Grand Total	
	During FYE 30-Jun 2022	Since Commencement on 18 November 2016	During FYE 30-Jun 2022	Since Commencement on 18 November 2016	During FYE 30-Jun 2022	Since Commencement on 18 November 2016
Total number of options and shares granted	-	2,160,000	-	556,000	-	2,716,000
Total number of options and shares vested	-	2,160,000	150,000	556,000	150,000	2,716,000
Total number of options and shares exercised	1,868,000	2,160,000	-	-	1,868,000	2,160,000
Total options and shares outstanding	-	-	-	-	-	-

Granted to Directors & Senior Management	Total ESS Options		Total ESS Shares		Grand Total	
	During FYE 30-Jun 2022	Since Commencement on 18 November 2016	During FYE 30-Jun 2022	Since Commencement on 18 November 2016	During FYE 30-Jun 2022	Since Commencement on 18 November 2016
Aggregate maximum allocation in percentage	-	48.55	-	48.81	-	48.60
Actual percentage granted	-	47.33	-	47.59	-	47.38

MATERIAL PROPERTIES OF THE GROUP

AS AT 30 JUNE 2022

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.	19 years	02/09/2016	16,176
No. G-09B, Ground Floor Berjaya Times Square No.1, Jalan Imbi 55100 Kuala Lumpur	Freehold	77 sq.m.	19 years	31/07/2018	11,952
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.	19 years	22/12/2021	4,996
Lot 10-02, 10-02C, 10-02A & 10-02B and balance lot Level 10, Berjaya Times Square No.1, Jalan Imbi 55100 Kuala Lumpur	Freehold	16,383 sq.ft.	19 years	22/12/2021	11,168

STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 3 OCTOBER 2022

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	4,200,000	0.24	50,000#	0.00
Tan Thiam Chai	2,023,500	0.12	-	-
Datuk Zainun Aishah Binti Ahmad	825,500	0.05	-	-
Dato' (Dr) Mustapha Bin Abd Hamid	905,000	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	-	-

	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	-	-

STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 3 OCTOBER 2022

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	-	-

Sports Toto Berhad [Formerly known as Berjaya Sports Toto Berhad]	Number of ordinary shares			
	Direct Interest	%	Deemed Interest	%
Tan Thiam Chai	174,006	0.01	134,496#	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 3 October 2022.

SUBSTANTIAL SHAREHOLDERS

AS AT 3 OCTOBER 2022

Name	Number of ordinary shares			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	3,065,000	0.17	959,898,600 ^(a)	54.72
Berjaya Corporation Berhad	-	-	934,953,600 ^(b)	53.30
Berjaya Group Berhad	705,850,100	40.24	229,103,500 ^(c)	13.06
Juara Sejati Sdn Bhd	139,400,000	7.95	71,250,000 ^(d)	4.06

(a) Deemed interested by virtue of his interests in Berjaya Corporation Berhad, Berjaya Assets Berhad (the holding company of Berjaya Bright Sdn Bhd), 7-Eleven Malaysia Holdings Berhad (the holding company of Convenience Shopping (Sabah) Sdn Bhd), Prime Realty Holdings Sdn Bhd and Hotel Resort Enterprise Sdn Bhd and his deemed interests in Berjaya Retail Sdn Bhd and Berjaya Infrastructure Sdn Bhd.

(b) Deemed interested by virtue of its 100% interest in Berjaya Group Berhad.

(c) Deemed interested by virtue of its 100% interest in Country Farms Sdn Bhd, Berjaya EnviroParks Sdn Bhd and Juara Sejati Sdn Bhd.

(d) Deemed interested by virtue of its interests in Berjaya Land Berhad, REDtone Digital Berhad, Inter-Pacific Capital Sdn Bhd and Inter-Pacific Securities Sdn Bhd.

STATISTICS ON SHARES

AS AT 3 OCTOBER 2022

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Ordinary Shares	%
less than 100	327	10.60	5,186	0.00
100 - 1,000	716	23.20	405,154	0.02
1,001 - 10,000	1,138	36.88	5,884,650	0.34
10,001 - 100,000	589	19.09	20,084,745	1.15
100,001 - 87,713,426	314	10.17	1,499,588,800	85.48
87,713,427* and above	2	0.06	228,300,000	13.01
Total	3,086	100.00	1,754,268,535	100.00

Note: Each share entitles the holder to one vote

* Denotes 5% of the total number of issued shares with voting rights.

THIRTY (30) LARGEST SHAREHOLDERS

Name of Shareholders	No. of Ordinary Shares Held	%
1 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 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Exempt An For Inter-Pacific Asset Management Sdn Bhd	86,030,000	4.90
4 DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad For Hong Leong Value Fund	82,600,000	4.71
5 Berjaya Group Berhad	80,972,600	4.62
6 Pertubuhan Keselamatan Sosial	80,000,000	4.56
7 HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad	75,500,000	4.30
8 CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad (BCB CBM-C2-SBLC)	66,852,500	3.81
9 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad	60,400,000	3.44
10 RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad	60,000,000	3.42

STATISTICS ON SHARES

AS AT 3 OCTOBER 2022

THIRTY (30) LARGEST SHAREHOLDERS

Name of Shareholders	No. of Ordinary Shares Held	%
11 MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad (MGN-BCB0001M)	35,000,000	2.00
12 Redtone Digital Berhad	34,500,000	1.97
13 Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad	31,250,000	1.78
14 RHB Nominees (Tempatan) Sdn Bhd Bank Of China (Malaysia) Berhad Pledged Securities Account For Berjaya Group Berhad	30,000,000	1.71
15 Amanahraya Trustees Berhad Public Smallcap Fund	29,421,800	1.68
16 Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Berjaya Group Berhad (BX1280)	25,000,000	1.43
17 CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad (BCB CBM-C2-TL3)	25,000,000	1.43
18 DYMM Sultan Ibrahim Johor	22,500,000	1.28
19 CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad (M4143B)	22,500,000	1.28
20 Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Berjaya Group Berhad	21,875,000	1.25
21 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad	21,750,000	1.24
22 Yeoh Yew Choo	21,074,000	1.20
23 Lim Boon Liat	20,700,000	1.18
24 DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad For Hong Leong Balanced Fund	19,500,000	1.11
25 CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Juara Sejati Sdn Bhd (MY4143)	17,650,000	1.01
26 Amanahraya Trustees Berhad Public Strategic Smallcap Fund	17,000,000	0.97
27 Lim Khuan Eng	16,000,000	0.91
28 Berjaya EnviroParks Sdn Bhd	15,610,000	0.89
29 Convenience Shopping (Sabah) Sdn Bhd	15,000,000	0.85
30 RHB Nominees (Tempatan) Sdn Bhd Bank Of China (Malaysia) Berhad Pledged Securites Account For Inter-Pacific Capital Sdn Bhd	15,000,000	0.85
	1,276,985,900	72.79

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting 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, 14 December 2022 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 2022 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 RM180,000.00 to the Non-Executive Directors of the Company for the financial year ended 30 June 2022. | Resolution 1 |
| 3. To approve the payment of Directors’ remuneration (excluding Directors’ fees) to the Non-Executive Directors of the Company up to an amount of RM600,000.00 for the period from 15 December 2022 until the next Annual General Meeting of the Company to be held in 2023. | Resolution 2 |
| 4. To re-elect the following Directors who retire pursuant to Clause 117 of the Company’s Constitution:-
(a) Datuk Zainun Aishah Binti Ahmad
(b) Tan Thiam Chai | Resolution 3
Resolution 4 |
| 5. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 5 |

As Special Business

- | | |
|---|---------------------|
| 6. To consider and, if thought fit, pass the following Ordinary Resolutions:- | |
| <p>(i) Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016</p> <p>“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.</p> <p>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.”</p> | Resolution 6 |
| <p>(ii) Proposed Renewal of and new Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature</p> <p>“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 27 October 2022 (“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:-</p> | |

NOTICE OF ANNUAL GENERAL MEETING

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the AGM at which such ordinary resolution for the Proposed Mandate was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution.”

Resolution 7

(iii) Proposed Renewal of Authority for the Company to Purchase its Own Shares

“THAT subject always to the Companies Act 2016 (“Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Exchange”) and the requirements of any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares in the Company (“BFood Shares”) through the Exchange and to take all such steps as are necessary (including the opening and maintaining of a central depositories account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/ or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

1. the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the total number of issued shares of the Company;
2. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company;
3. the authority shall commence immediately upon passing of this ordinary resolution until:-
 - (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the AGM at which such ordinary resolution was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (b) the expiration of the period within which the next AGM after that date it is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

NOTICE OF ANNUAL GENERAL MEETING

AND THAT upon completion of the purchase(s) of the BFood Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any BFood Shares so purchased by the Company in the following manner:-

- (a) cancel all the BFood Shares so purchased; or
- (b) retain all the BFood Shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act); or
- (c) retain part thereof as treasury shares and subsequently cancelling the balance; or
- (d) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Exchange and any other relevant authority for the time being in force.”

Resolution 8

(iv) Proposed Retention of Independent Non-Executive Directors

- (a) “THAT Datuk Zainun Aishah Binti Ahmad be and is hereby retained as an Independent Non-Executive Director of the Company and she shall continue to act as an Independent Non-Executive Director of the Company notwithstanding that she has been an Independent Director on the Board of the Company for a cumulative term of more than twelve (12) years.”
- (b) “THAT Dato’ (Dr) Mustapha Bin Abd Hamid be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Director of the Company notwithstanding that he has been an Independent Director on the Board of the Company for a cumulative term of more than twelve (12) years.”

Resolution 9

Resolution 10

By Order of the Board

THAM LAI HENG MICHELLE

(MAICSA 7013702)

(SSM Practising Certificate No. 202008001622)

Secretary

Kuala Lumpur
27 October 2022

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 Independent Non-Executive Director is the same as the previous financial year ended 30 June 2021.

3. Directors’ Remuneration (excluding Directors’ Fees)

Section 230(1) of the Companies Act 2016 provides that the “fees” of the Directors and “any benefits” payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders’ approval shall be sought at this Annual General Meeting (“AGM”) for the payment of Directors’ remuneration (excluding Directors’ fees) payable to the Non-Executive Directors of the Company.

Resolution 2 is to seek shareholders’ approval at this AGM for the payment of Directors’ remuneration (excluding Directors’ fees) payable to the Non-Executive Directors of the Company for the period from 15 December 2022 until the next AGM of the Company to be held in 2023.

The current Directors’ Remuneration (excluding Directors’ fees) payable to the Non-Executive Directors of the Company comprises of chairman allowances, other emoluments and meeting allowances.

NOTICE OF ANNUAL GENERAL MEETING

In determining the estimated amount of remuneration payable to the Non-Executive Directors, the Board considered various factors including the number of scheduled meetings for the Board of Directors ("Board"), Board Committees and general meetings of the Company as well as the number of Non-Executive Directors involved in these meetings.

In the event where the payment of Directors' remuneration (excluding Directors' fees) payable during the above period exceeded the estimated amount sought at this AGM, a shareholders' approval will be sought at the next AGM.

4. Re-election of Directors

Resolution 3 and Resolution 4 are to seek shareholders' approval at this AGM for the re-election of Directors who retire by rotation pursuant to Clause 117 of the Company's Constitution.

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.

The Board through the Nomination Committee ("NC") had undertaken an annual assessment and evaluation on the retiring Directors namely, Datuk Zainun Aishah Binti Ahmad and Tan Thiam Chai ("Retiring Directors"), who are seeking for re-election as Directors of the Company pursuant to Clause 117 of the Company's Constitution. Based on the assessment conducted, the NC was satisfied with the performance and contribution of the Retiring Directors and has accordingly recommended to the Board for re-election of the Retiring Directors. The Board has endorsed the NC's recommendation and support the re-election of Retiring Directors and recommended the re-election of Retiring Directors for approval by the shareholders at the forthcoming Thirteenth AGM.

The profile of Retiring Directors are set out in the Profile of Directors in the Company's 2022 Annual Report.

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

Resolution 6 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot new shares in the Company from time to time at such price provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

Resolution 6, 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 Twelfth AGM held on 9 December 2021 and which will lapse at the conclusion of the Thirteenth 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.

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

Resolution 7, if passed, will allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Shareholders' Mandate"). Detailed information on the Proposed Shareholders' Mandate is set out under Part A of the Circular to Shareholders dated 27 October 2022 which can be viewed and downloaded from the website of the Company at www.berjaya.com/berjaya-food/ and/or Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

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

Resolution 8, if passed, will provide the mandate for the Company to buy back its own shares up to a limit of 10% of the total number of issued shares of the Company ("Proposed Share Buy-Back Renewal"). Detailed information on the Proposed Share Buy-Back Renewal is set out under Part B of the Circular/Statement to Shareholders dated 27 October 2022 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.

NOTICE OF ANNUAL GENERAL MEETING

8. Proposed Retention of Independent Non-Executive Directors

Resolution 9 and Resolution 10 are proposed pursuant to the Malaysian Code on Corporate Governance and if passed, will allow Datuk Zainun Aishah Binti Ahmad and Dato' (Dr) Mustapha Bin Abd Hamid to be retained and to continue to act as Independent Non-Executive Directors of the Company.

The full details of the Board's justifications for the retention of Datuk Zainun Aishah Binti Ahmad and Dato' (Dr) Mustapha Bin Abd Hamid are set out in the Corporate Governance Overview Statement in the Company's 2022 Annual Report.

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://sshbs.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.
- (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 duly executed Form of Proxy must be deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting, **i.e. latest by Monday, 12 December 2022 at 10.00 a.m.**
- (x) Only members whose names appear in the Record of Depositors as at 7 December 2022 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 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.

FORM OF PROXY



BERJAYA

BERJAYA FOOD BERHAD

[Registration No. 200901032946 (876057-U)]
(Incorporated in Malaysia)

I/We _____
(Name in full)

I.C. or Company No. _____ CDS Account No. _____
(New and Old I.C. Nos.)

of _____
(Address)

being a member/members of BERJAYA FOOD BERHAD

hereby appoint _____ I.C. No. _____ of
(Name in full) (New and Old I.C. Nos.)

(Address)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf, at the Thirteenth 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, 14 December 2022 at 10.00 a.m. and at any adjournment thereof.

This proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

		FOR	AGAINST
RESOLUTION 1	To approve payment of Directors' fees.		
RESOLUTION 2	To approve payment of Directors' remuneration (excluding Directors' fees) for the period from 15 December 2022 until the next Annual General Meeting of the Company in 2023.		
RESOLUTION 3	To re-elect Datuk Zainun Aishah Binti Ahmad as Director.		
RESOLUTION 4	To re-elect Tan Thiam Chai as Director.		
RESOLUTION 5	To re-appoint Auditors.		
RESOLUTION 6	To approve authority to issue and allot shares.		
RESOLUTION 7	To renew shareholders' mandate for Recurrent Related Party Transactions.		
RESOLUTION 8	To renew authority for the Company to purchase its own shares.		
RESOLUTION 9	To approve the proposed retention of Datuk Zainun Aishah Binti Ahmad as an Independent Non-Executive Director.		
RESOLUTION 10	To approve the proposed retention of Dato' (Dr) Mustapha Bin Abd Hamid as an Independent Non-Executive Director.		

NO. OF SHARES HELD

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

Dated this _____ day of _____, 2022.

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.**
- 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.
- 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.
- 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.
- A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.
- 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.
- 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.
- 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.
- The duly executed Form of Proxy must be deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting, i.e. **latest by Monday, 12 December 2022 at 10.00 a.m.**
- Only members whose names appear in the Record of Depositors as at 7 December 2022 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 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.

Fold this flap for sealing

Affix Stamp

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

Then fold here

1st fold here

GROUP ADDRESSES

BERJAYA FOOD BERHAD

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

BERJAYA ROASTERS (M) SDN BHD

Lot 09-16, Level 9 (East Wing)
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel: 03-2119 9888

BERJAYA STARBUCKS COFFEE COMPANY SDN BHD

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

BERJAYA FOOD SUPREME SDN BHD

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

Lot 10-04, Level 10 (West Wing)
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

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

BERJAYA FOOD (INTERNATIONAL) SDN BHD

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

The Company Secretary

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

BERJAYA FOOD BERHAD

[Registration No. 200901032946 (876057-U)]

Lot 13-01A, Level 13 (East Wing), Berjaya Times Square,
No.1, Jalan Imbi, 55100 Kuala Lumpur.

Tel: 03-2149 1999

Fax: 03-2143 1685

www.berjaya.com