

Berjaya Food Berhad

Registration Number: 200901032946 (876057-U)

Date: 20 February 2025

Subject: **UNAUDITED QUARTERLY (Q2) FINANCIAL REPORT FOR
THE PERIOD ENDED 31 DECEMBER 2024**

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BERJAYA FOOD BERHAD**Registration Number: 200901032946 (876057-U)****UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2024
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

	<u>Current Quarter</u>		<u>Financial Year To Date</u>	
	3 months ended		6 months ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
REVENUE	123,103	182,553	247,297	461,087
(LOSS)/PROFIT FROM OPERATIONS	(23,242)	(20,459)	(44,730)	16,172
Investment related income	1,071	314	1,117	645
Investment related expenses	(1,889)	(10,499)	(2,013)	(10,499)
Finance cost	(10,076)	(8,968)	(20,072)	(17,534)
Share of results of joint venture	(1,131)	(194)	(1,390)	(270)
LOSS BEFORE TAX	(35,267)	(39,806)	(67,088)	(11,486)
TAXATION	(406)	2,978	(424)	(6,831)
LOSS AFTER TAX	(35,673)	(36,828)	(67,512)	(18,317)
OTHER COMPREHENSIVE ITEMS:				
<u>To be reclassified to profit or loss in subsequent periods:</u>				
- Foreign currency translation	543	(132)	(1,848)	(102)
- Foreign currency reserve transferred to profit or loss due to disposal of a subsidiary company	-	796	-	796
<u>Item that will not be reclassified subsequently to profit or loss</u>				
Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")	593	(475)	(119)	(593)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(34,537)</u>	<u>(36,639)</u>	<u>(69,479)</u>	<u>(18,216)</u>
LOSS ATTRIBUTABLE TO:				
- Equity holders of the parent	(35,333)	(42,581)	(69,012)	(23,554)
- Non-controlling interests	(340)	5,753	1,500	5,237
	<u>(35,673)</u>	<u>(36,828)</u>	<u>(67,512)</u>	<u>(18,317)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Equity holders of the Company	(34,381)	(42,317)	(70,284)	(23,394)
- Non-controlling interests	(156)	5,678	805	5,178
	<u>(34,537)</u>	<u>(36,639)</u>	<u>(69,479)</u>	<u>(18,216)</u>
LOSS PER SHARE (SEN)				
-Basic, for the period	<u>(1.99)</u>	<u>(2.42)</u>	<u>(3.89)</u>	<u>(1.34)</u>

The annexed notes form an integral part of this interim financial report.

BERJAYA FOOD BERHAD**Registration Number: 200901032946 (876057-U)****UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2024****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31/12/2024 RM'000	As at 30/06/2024 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	295,106	316,851
Right-of-use assets	358,488	396,487
Investment in joint venture	12,093	8,483
Other investments	23,265	23,384
Deferred tax assets	9,462	9,850
Intangible assets	457,404	458,320
Receivables	9,971	10,777
	<u>1,165,789</u>	<u>1,224,152</u>
Current Assets		
Inventories	58,020	71,903
Trade and other receivables	43,148	39,537
Tax recoverable	36,280	53,838
Deposits with financial institutions	272	268
Cash and bank balances	24,528	25,657
	<u>162,248</u>	<u>191,203</u>
Non-current assets classified as held for sale	1,350	-
	<u>163,598</u>	<u>191,203</u>
TOTAL ASSETS	<u>1,329,387</u>	<u>1,415,355</u>
EQUITY AND LIABILITIES		
Share capital	257,920	257,920
Reserves	143,297	213,581
	<u>401,217</u>	<u>471,501</u>
Treasury shares	(77,587)	(77,587)
	<u>323,630</u>	<u>393,914</u>
Non-controlling interests	4,285	(1,457)
Equity funds	<u>327,915</u>	<u>392,457</u>
Non-current liabilities		
Long term borrowings	35,136	5,666
Lease liabilities	338,352	371,499
Provisions	13,215	16,263
	<u>386,703</u>	<u>393,428</u>
Current Liabilities		
Payables and provisions	171,983	184,468
Short term borrowings	298,502	299,296
Taxation	-	145
Lease liabilities	63,756	65,868
Contract liabilities	80,528	79,693
	<u>614,769</u>	<u>629,470</u>
Total Liabilities	<u>1,001,472</u>	<u>1,022,898</u>
TOTAL EQUITY AND LIABILITIES	<u>1,329,387</u>	<u>1,415,355</u>
Basic net assets per share (sen)	18.27	22.45

Note:

The net assets per share is calculated based on the following:

Basic: Equity funds less non-controlling interests divided by the number of outstanding shares in issue with voting rights.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2024
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the parent									
	Non - distributable					Distributable				
	Share capital RM'000	FVTOCI reserves RM'000	Consolidation reserve RM'000	Exchange reserve RM'000	Merger deficit RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2024	257,920	1,389	-	1,676	(55,087)	265,603	(77,587)	393,914	(1,457)	392,457
Loss for the period	-	-	-	-	-	(69,012)	-	(69,012)	1,500	(67,512)
Other comprehensive income	-	(119)	-	(1,153)	-	-	-	(1,272)	(695)	(1,967)
Total comprehensive income	-	(119)	-	(1,153)	-	(69,012)	-	(70,284)	805	(69,479)
Transactions with owners										
Arising from disposal of subsidiary companies	-	-	-	-	-	-	-	-	1,017	1,017
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	4,059	4,059
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(139)	(139)
	-	-	-	-	-	-	-	-	4,937	4,937
At 31 December 2024	<u>257,920</u>	<u>1,270</u>	<u>-</u>	<u>523</u>	<u>(55,087)</u>	<u>196,591</u>	<u>(77,587)</u>	<u>323,630</u>	<u>4,285</u>	<u>327,915</u>
At 1 July 2023	257,920	1,626	729	961	(55,087)	372,308	(85,328)	493,129	(5,460)	487,669
Loss for the period	-	-	-	-	-	(23,554)	-	(23,554)	5,237	(18,317)
Other comprehensive income	-	(593)	-	753	-	-	-	160	(59)	101
Total comprehensive income	-	(593)	-	753	-	(23,554)	-	(23,394)	5,178	(18,216)
Transactions with owners										
Arising from disposal of a subsidiary company	-	-	-	-	-	-	-	-	(396)	(396)
Arising from acquisition of a subsidiary company	-	-	-	-	-	-	-	-	1,337	1,337
Transfer between reserves	-	-	(729)	-	-	729	-	-	-	-
Dividends	-	-	-	-	-	(8,771)	-	(8,771)	-	(8,771)
Distribution of share dividend	-	-	-	-	-	(7,741)	7,741	-	-	-
	-	-	(729)	-	-	(15,783)	7,741	(8,771)	941	(7,830)
At 31 December 2023	<u>257,920</u>	<u>1,033</u>	<u>-</u>	<u>1,714</u>	<u>(55,087)</u>	<u>332,971</u>	<u>(77,587)</u>	<u>460,964</u>	<u>659</u>	<u>461,623</u>

The annexed notes form an integral part of this interim financial report.

BERJAYA FOOD BERHAD**Registration Number: 200901032946 (876057-U)****UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2024****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	6 months ended	
	31/12/2024	31/12/2023
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	251,936	468,665
Payments to suppliers and operating expenses	(244,125)	(371,312)
Refund/(payment) of taxes	17,450	(26,845)
Other receipts	-	140
Net cash generated from operating activities	<u>25,261</u>	<u>70,648</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	169	36
Disposal of investment in subsidiary company	146	1,915
Disposal of short term investment	-	1,358
Acquisition of property, plant and equipment	(7,065)	(25,024)
Acquisition of investments in subsidiary companies	(2,169)	-
Subscription of shares in joint venture	(5,000)	(5,000)
Acquisition of intangible assets	(799)	(5,225)
Interest received	65	174
Net cash used in investing activities	<u>(14,653)</u>	<u>(31,766)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital to non-controlling interests of a subsidiary company	4,059	1,337
Dividends paid	-	(8,771)
Dividends paid to non-controlling interests of subsidiary company	(139)	-
Interest paid	(19,777)	(17,447)
Payment of principal portion of lease liabilities	(19,239)	(36,267)
Drawdown of bank borrowings and other loans	53,088	60,663
Repayment of bank borrowings and other loans	(46,515)	(42,802)
Payment of hire purchase	(710)	(1,017)
Advance from related company	19,675	-
Net cash used in financing activities	<u>(9,558)</u>	<u>(44,304)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,050	(5,422)
OPENING CASH AND CASH EQUIVALENTS	25,085	50,076
Effect of exchange rate changes	(2,047)	(40)
CLOSING CASH AND CASH EQUIVALENTS	<u>24,088</u>	<u>44,614</u>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	272	11,102
Cash and bank balances	<u>24,528</u>	<u>33,512</u>
	<u>24,088</u>	<u>44,614</u>

BERJAYA FOOD BERHAD**Registration Number: 200901032946 (876057-U)****UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2024****NOTES TO THE INTERIM FINANCIAL REPORT**

- A1 The condensed consolidated interim financial report is unaudited and has been prepared in accordance with MFRS 134, Interim Financial Reporting Standards in Malaysia and IAS 34, Interim Financial Reporting, requirements of the Companies Act 2016 and applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad. The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2024. These explanatory notes, attached to the condensed consolidated interim financial report, provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2024.

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the year ended 30 June 2024 except the adoption of the new or revised standards, IC Interpretation and amendments to standards.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the accounting period beginning 1 July 2024.

The initial application of the MFRSs, Amendments to MFRSs and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impact to the financial statements of the Group upon their first adoption.

- A2 The Group's operations are affected by major festive seasons and school holidays as well as the Muslim fasting month. In Malaysia, the major school holiday is traditionally scheduled during the second quarter, while certain festive celebrations fall during the second and third quarters of the Group's financial year. These holidays and festive celebrations will normally have a positive impact to the Group's operations in the second and third quarters of the financial year.

- A3 The following are the unusual items that occurred during the current quarter under review:

Recognised directly in statement of profit or loss

- (i) Included under investment related expenses:

	Current quarter RM'000	Financial period to date RM'000
Gain/(Loss) arising from disposal of subsidiary companies	1,052	928

- A4 As at 31 December 2024, the issued ordinary share capital of the Company was 1,947,632,785 units for RM257,920,251.

- A5 There was no share buyback during the financial year ended 31 December 2024.

The number of treasury shares held in hand as at 31 December 2024 were as follows:

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares as at 31 December 2024	0.44	175,821,661	77,587

As at 31 December 2024, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 1,771,811,000 (31 December 2023: 1,771,811,000) ordinary shares.

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A6 There were no payment of dividend during the financial period ended 31 December 2024 (31 December 2023: RM16.511,000).

A7 Segment information for the financial period ended 31 December 2024:-

	Group RM'000
REVENUE	
Malaysia	238,910
Other South-East Asian countries	8,387
Total revenue	<u>247,297</u>
RESULTS	Group RM'000
Malaysia	(40,725)
Other South-East Asian countries	(2,230)
	<u>(42,955)</u>
Unallocated corporate expenses	(1,775)
Loss from operations	(44,730)
Investment related income	
- Interest income	65
- Gain arising from disposal of a subsidiary company	1,052
Investment related expenses	
- Loss arising from disposal of a subsidiary company	(124)
- Fair value loss on FVTPL investment	(1,889)
Finance cost	(20,072)
Share of results of joint venture	(1,390)
Loss before tax	(67,088)
Taxation	(424)
Loss after tax	<u>(67,512)</u>

A8 There were no significant events since the end of this current quarter that have not been reflected in the financial statements for this current financial quarter under review.

A9 There was no change in the composition of the Group for the current period including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations, except for the below:

- (a) On 15 August 2024, Berjaya Food (International) Sdn Bhd ("BFI") had completed the disposal of its 50%-owned subsidiary company, Ser Vegano Sdn Bhd, for a total consideration of RM1.00.
- (b) On 4 October 2024, BFI entered into a share sale agreement with CountryFarm Organics Sdn Bhd ("CFSB") for disposal of 51% stake in Berjaya Kelava Sdn Bhd together with 100% of the Redeemable Convertible Preference Shares ("RCPS") for a total cash consideration of RM1.35 million.

On 2 December 2024, BFI had completed the disposal of its investment in Berjaya Kelava Sdn Bhd and RCPS was transferred to CFSB on 10 February 2025.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2024

NOTES TO THE INTERIM FINANCIAL REPORT

- A10 There were no material changes in contingent liabilities or contingent assets since the last audited statement of financial position as at 30 June 2024.
- A11 There were no material changes in capital commitment since the last audited statement of financial position as at 30 June 2024.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2024

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

- B1 The Group is primarily engaged in developing and operating the "Starbucks Coffee" brand in Malaysia and Brunei, developing and operating the "Kenny Rogers Roasters" ("KRR") chain in Malaysia, producing, packaging and dealing with baked goods under the "Paris Baguette" brand in the Philippines. The key factors that affect the performance of the Group's businesses include mainly the festive seasons, tourism, eating out culture, raw material costs, staff costs and consumer perception.

The summary results of the Group are as follows:

	3 months ended			6 months ended		
	31/12/2024	31/12/2023	+/(-)	31/12/2024	31/12/2023	+/(-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	<u>123,103</u>	<u>182,553</u>	<u>(33)</u>	<u>247,297</u>	<u>461,087</u>	<u>(46)</u>
(Loss)/Profit from operations	<u>(23,242)</u>	<u>(20,459)</u>	<u>14</u>	<u>(44,730)</u>	<u>16,172</u>	<u>N/A</u>
(Loss) before tax	<u>(35,267)</u>	<u>(39,806)</u>	<u>(11)</u>	<u>(67,088)</u>	<u>(11,486)</u>	<u>484</u>

Current quarter vs preceding year same quarter

The Group registered a revenue of RM123.10 million and pre-tax loss of RM35.27 million in the current quarter ended 31 December 2024 as compared to a revenue of RM182.55 million and pre-tax loss of RM39.81 million reported in the previous year's corresponding quarter.

The lower revenue and higher loss from operations in the current quarter under review were mainly attributed to the prolonged impact of the ongoing sentiment related to the Middle East conflict. The pre-tax loss in the corresponding quarter of the previous year included a one-off loss of about RM10.5 million from disposal of a former subsidiary.

For the 6-month period

For the 6-month period ended 31 December 2024, the Group's revenue and pre-tax loss were RM247.30 million and RM67.09 million respectively as compared to a revenue and pre-tax loss of RM461.09 million and RM11.49 million respectively.

The lower revenue and pre-tax loss were mainly due to the abovementioned reasons.

B2 Review of results of current quarter vs preceding quarter

	3 months ended		
	31/12/2024	30/9/2024	+/(-)
	RM'000	RM'000	%
Revenue	<u>123,103</u>	<u>124,194</u>	<u>(1)</u>
Loss from operations	<u>(23,242)</u>	<u>(21,488)</u>	<u>8</u>
Loss before tax	<u>(35,267)</u>	<u>(31,821)</u>	<u>11</u>

The Group reported a revenue of RM123.10 million and pre-tax loss of RM35.27 million in the current quarter as compared to a revenue of RM124.19 million and pre-tax loss of RM31.82 million reported in the preceding quarter.

The decrease in revenue was primarily attributed to the factor mentioned in Note B1. In addition, the higher pre-tax loss was also due to the fair value loss on a FVTPL investment.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2024

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B3 Future prospects

While the Starbucks brand faces challenges, the Group remains committed to growth and diversification by expanding its brand portfolio and leveraging opportunities locally and internationally. The strategic initiatives and plans for Starbucks are expected to enhance performance and drive positive results. With these ongoing efforts to strengthen current business and the Group's strategic direction, it is well-positioned for further progress and stronger financial results.

B4 There is no profit forecast or profit guarantee for the financial period ended 31 December 2024.

B5 The taxation charge for the current quarter and financial period ended 31 December 2024 are detailed as follows:

	For the current quarter RM'000	Financial period ended RM'000
Group:-		
Based on the results for the period:-		
Current period provision		
- Malaysian taxation	19	37
Deferred tax	387	387
	<u>406</u>	<u>424</u>

The disproportionate tax charge of the Group for the current quarter and financial period ended 31 December 2024 was mainly due to certain expenses or losses being disallowed for tax purposes, as well as non-availability of Group tax relief in respect of losses incurred by certain subsidiary companies.

B6 There were no corporate proposals announced but not completed.

B7 The Group's bank borrowings and debt securities as at 31 December 2024.

		As at 31/12/2024 RM'000
Short term borrowings		
<u>Secured</u>		
Denominated in Ringgit Malaysia	253,434	
<u>Unsecured</u>		
Denominated in Ringgit Malaysia	<u>45,068</u>	298,502
Long term borrowings		
<u>Secured</u>		
Denominated in Ringgit Malaysia		35,136
Total borrowings		<u><u>333,638</u></u>

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B8 There were no material litigations for the current quarter.

B9 The Board does not recommend any dividend for the current quarter under review (previous year corresponding quarter ended 31 December 2023: Nil).

B10 Loss before tax is stated after charging/(crediting):

	For the current quarter RM'000	Financial period to date RM'000
Interest income	(19)	(65)
Gain on disposal of property, plant and equipment	(98)	(142)
Write down of property, plant and equipment	1,028	1,550
Impairment of property, plant and equipment	2,894	2,894
Depreciation of property, plant and equipment	10,389	22,860
Depreciation of right-of-use assets	19,308	37,657
Amortisation of intangible assets	683	1,368
Foreign exchange gain	<u>(447)</u>	<u>(785)</u>

B11 The basic loss per share is calculated as follows:

	Group (3-month period)			
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000		Sen	
Net loss for the quarter (RM'000)	<u>(35,333)</u>	<u>(42,581)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>1,771,811</u>	<u>1,757,510</u>		
Basic loss per share (Sen)			<u>(1.99)</u>	<u>(2.42)</u>
	Group (6-month period)			
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000		Sen	
Net loss for the period (RM'000)	<u>(69,012)</u>	<u>(23,554)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000) *	<u>1,771,811</u>	<u>1,755,889</u>		
Basic loss per share (Sen)			<u>(3.89)</u>	<u>(1.34)</u>

* Diluted loss per share is same with basic loss per share as there were no potentially dilutive ordinary shares during the current period.

c.c. Securities Commission