

**Report of Factual Findings in Connection with agreed-upon procedures assignment related to translated financials**

To,

**The Board of Directors**

Barbeque-Nation Hospitality Limited  
Survey No. 62, Site No. 13, 6<sup>th</sup> cross, NS Palaya,  
BTM Layout, Bengaluru – 560 076.

We have performed the procedures agreed with you and enumerated below with respect to the Translated Financial Information (referred to as 'INR Financial Information') of Barbeque Nation (Malaysia) SDN. BHD. Malaysia, ('Company' or 'Barbeque Malaysia') as at and for the year ended 31 March 2019, annexed to this report. Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India. The procedures were performed solely to assist you in evaluating the validity of the INR Financial Information of the Company and are summarized as follows:

1. We obtained the standalone audited financials and the INR Financial Information of the Company as at and for the year ended 31 March 2019 and compared the RM balances considered for preparation of INR Financial Information with the standalone audited financials of the Company.
2. We compared the RM to INR exchange rates considered for translation of RM balances to INR with the sources data.
3. We verified the translation of RM balances to INR are in accordance with the Indian Accounting Standard 21 'The Effects of Changes in Foreign Exchange Rates' (Ind AS 21).

The management of the Barbeque-Nation Hospitality Limited, India ('Barbeque-Nation', the ultimate holding company) are responsible for preparation of the INR Financial Information in accordance with para 11(I)(A)(ii), Part A, Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 ('SECI ICDR 2018') and in accordance with Ind AS 21. Our responsibility is to perform above mentioned agreed upon procedures and to report our factual findings based on those procedures.

We report our finding below:

- (a) With respect to item 1 above, we found that the RM balances considered for preparation of INR Financial Information as at and for the year ended 31 March 2019 are in agreement with the standalone audited financials of the Company.
- (b) With respect to item 2 above, we found RM to INR exchange rates considered for translation of RM balances to INR are in agreement with the source data.
- (c) With respect to item 3, we found translation of RM balances to INR are in accordance with Ind AS 21.

Because the above procedures do not constitute either an audit or a review made in accordance with the generally accepted auditing standards in India, we do not express any assurance on the INR Financial Information of the Company. Had we performed additional procedures or had we performed an audit or review of the INR Financial Information in accordance with the generally accepted auditing standards in India, other matters might have come to our attention that would have been reported to you.



**S G M & Associates LLP**

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. These INR Financial Information is intended solely for the use of the management of Barbeque-Nation for uploading on their website in connection with the proposed Initial Public Offer of equity shares of Barbeque-Nation. Our report should not be used or referred to or distributed for any other purpose without our consent in writing.

For **S G M & Associates LLP**  
Chartered Accountants  
(LLP Registration No. S200058)



A handwritten signature in blue ink, appearing to read "H.M.K." with a flourish.

**Hemanth M Kumar**  
Partner  
Membership No. 216251

**Bengaluru**, 06 February 2020  
UDIN: 20216251AAAAABN4678

Encl: INR Financial Information and Standalone audited financials of Barbeque Nation Restaurant LLC, Dubai as at and for the year ended 31 March 2019.

**Barbeque Nation (Malaysia) SDN. BHD.**  
Special Purpose Standalone Balance Sheet as at 31 March 2019  
(Amount in Rupees, except for shares data or as otherwise stated)

Particulars as at	Note No.	31-Mar-19	31-Mar-18
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	46,177,014	-
Financial assets			
Loans	4	2,890,255	2,360,573
<b>Total Non-current assets [A]</b>		<b>49,067,269</b>	<b>2,360,573</b>
<b>Current assets</b>			
Inventories	5	1,069,130	-
Financial assets			
Cash and cash equivalents	6	2,133,451	243,336
Other current assets	7	1,402,530	20,215,064
<b>Total current assets [B]</b>		<b>4,605,111</b>	<b>20,458,400</b>
<b>Total assets [A+B]</b>		<b>53,672,380</b>	<b>22,818,973</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	8	16,994,600	16,849,200
Other equity	9	(33,824,607)	(1,786,032)
<b>Equity attributable to owners of the Company [C]</b>		<b>(16,830,007)</b>	<b>15,063,168</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	10	63,683,100	7,565,864
<b>Total Non-current liabilities [D]</b>		<b>63,683,100</b>	<b>7,565,864</b>
<b>Current liabilities</b>			
Financial Liabilities			
Trade payables	11	6,819,287	189,941
<b>Total current liabilities [E]</b>		<b>6,819,287</b>	<b>189,941</b>
<b>Total liabilities [F= [D+E]]</b>		<b>70,502,387</b>	<b>7,755,805</b>
<b>Total equity and liabilities [F+C]</b>		<b>53,672,380</b>	<b>22,818,973</b>

See accompanying notes forming part of the special purpose standalone financial statements



**Barbeque Nation (Malaysia) SDN. BHD.**

Special Purpose Standalone Statement of Profit and Loss for the year ended 31 March 2019  
(Amount in Rupees, except for shares data or as otherwise stated)

Particulars for the year/ period ended	Note No.	31-Mar-19	31-Mar-18
<b>REVENUE</b>			
Revenue from operations	12	15,593,200	-
<b>Total (A)</b>		<b>15,593,200</b>	<b>-</b>
<b>Expenses</b>			
Cost of revenue		10,966,100	-
Employee benefits expenses	13	9,261,195	-
Other operating expenses	14	20,083,843	1,747,334
<b>Total (B)</b>		<b>40,311,138</b>	<b>1,747,334</b>
<b>Earnings before exceptional items, finance costs, depreciation and amortisation (EBITDA) (C) = (A-B)</b>		<b>(24,717,938)</b>	<b>(1,747,334)</b>
Finance costs (D)	15	2,543,222	38,698
Depreciation expense (E)	3	4,762,002	-
<b>Loss before tax and exceptional items (F) = (C-D-E)</b>		<b>(32,023,162)</b>	<b>(1,786,032)</b>
Exceptional items (G)		-	-
<b>Loss before tax (H) = (F-G)</b>		<b>(32,023,162)</b>	<b>(1,786,032)</b>
<b>Tax expense / (benefit):</b>			
Current tax		-	-
Deferred tax		-	-
<b>Net tax expense / (benefit) (I)</b>		<b>-</b>	<b>-</b>
<b>Net Loss for the year/ period (J) = (H-I)</b>		<b>(32,023,162)</b>	<b>(1,786,032)</b>
<b>Other Comprehensive Income / (Losses) (K)</b>			
Items that will not be reclassified to Statement of Loss and loss			
Remeasurements of the defined benefit plans		-	-
Income tax on the above		-	-
<b>Total comprehensive income for the year/ period (J + K)</b>		<b>(32,023,162)</b>	<b>(1,786,032)</b>

See accompanying notes forming part of the special purpose standalone financial statements



**Barbeque Nation (Malaysia) SDN. BHD.**  
Special Purpose Standalone Statement of changes in equity  
(Amount in Rupees, except for shares data or as otherwise stated)

Particulars	Share capital	Retained earnings	Total
<b>As at 31 March 2017</b>	-	-	-
Issued during the year	16,849,200	-	<b>16,849,200</b>
Loss for the period	-	(1,786,032)	(1,786,032)
Exchange	-	-	-
<b>As at 31 March 2018</b>	<b>16,849,200</b>	<b>(1,786,032)</b>	<b>15,063,168</b>
Issued during the year	-	-	-
Loss for the year	-	(32,023,162)	(32,023,162)
Exchange	145,400	(15,413)	129,987
<b>As at 31 March 2019</b>	<b>16,849,200</b>	<b>(33,824,607)</b>	<b>(16,830,007)</b>

See accompanying notes forming part of the special purpose standalone financial statements



**Barbeque Nation (Malaysia) SDN. BHD.**

Special Purpose Standalone Statement of Cashflow for the year ended 31 March 2019  
(Amount in Ruppees, except for shares data or as otherwise stated)

<b>Particulars for the year / period ended</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
<b>Cashflows from operating activities</b>		
Loss for the year / period	(32,023,162)	(1,786,032)
Adjustments for:		
Depreciation	4,762,002	-
Interest expenses	2,543,222	38,698
Loss on disposal / write-off of property, plant and equipments	-	-
<b>Operating loss before working capital changes</b>	<b>(24,717,938)</b>	<b>(1,747,334)</b>
Changes in inventories	(1,078,498)	-
Changes in other receivables and prepayments	18,344,542	(20,575,139)
Changes in accruals and other payables	6,685,778	174,498
<b>Net cash used in operating activities</b>	<b>(766,116)</b>	<b>(22,147,975)</b>
<b>Cashflows from investing activities</b>		
Purchase of property, plant and equipments (including capital work-in-progress) (net)	(51,343,612)	-
<b>Net cash used in investing activities</b>	<b>(51,343,612)</b>	<b>-</b>
<b>Cashflow from financing activities</b>		
Proceeds from issue of shares	-	15,479,284
Proceeds from loan from related parties	56,543,065	6,950,725
Interest paid	(2,543,222)	(38,698)
<b>Net cash flow from financing activities</b>	<b>53,999,843</b>	<b>22,391,311</b>
<b>Net changes in cash and cash equivalents</b>	<b>1,890,115</b>	<b>243,336</b>
Cash and cash equivalents at beginning of the year	243,336	-
<b>Cash and cash equivalents at end of the year</b>	<b>2,133,451</b>	<b>243,336</b>

See accompanying notes forming part of the special purpose standalone financial statements



**Barbeque Nation (Malaysia) SDN. BHD.**

Notes forming part of special purpose standalone financial statements  
(Amount in Rupees, except for shares data or as otherwise stated)

**Note**

**No.**

**1 Corporate information**

Barbeque Nation (Malaysia) SDN. BHD. ('Company') is a private limited company incorporated and domiciled in Malaysia, with registered office at Lot 6.06, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor. The principal place of business is located at Lot No. 9.101.00, 9.102.00 & E: S9.102.00, 9th Floor, Elite Pavillion Mall, 168, Jalan Bukit Bintang, Kuala Lumpur. The principal activity of the Company is running of restaurants.

**2 Basis of preparation**

**(a) Statement of compliance**

The audited financial statements of the Company as at and for the year ended 31 March 2019 were prepared in accordance with Malaysian Private Entities Reporting Standards (MPEERS) and the requirements of the Companies Act, 2016.

The management of Barbeque-Nation Hospitality Limited ('BBQ-Nation', the ultimate holding company of the Company), have prepared these special purpose standalone financial statements in accordance with para 11(D)(A)(i), Part A, Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 ('SECI ICDR 2018') and in accordance with Indian Accounting Standard 21 'The Effects of Changes in Foreign Exchange Rates' (Ind AS 21).

The Company's functional currency is Ringgit Malaysia (RM) and these special purpose standalone financial statements are presented in Indian Rupees (INR) ('INR Financials'). The results and financial position of the Company have been translated to INR using the following procedures:

- (i) assets and liabilities for each balance sheet presented (including comparatives) are translated at the closing rate at date of that balance sheet;
- (ii) income and expenses for each statement of profit and loss presented (including comparatives) are translated at average exchange rates for those periods; and
- (iii) all resulting exchange difference are recognised in 'Other comprehensive income'.

**RM / INR conversion rates considered for translation**

<b>Exchange rates for*</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
- assets and liabilities	16.99	16.85
- income and expenses	17.14	15.48

\* exchange rates taken from the data available in the public domain

Refer the audited financial statement of the Company as on and for the period ended 31 March 2019 for accounting policy and other details.



**Barbeque Nation (Malaysia) SDN. BHD.**

Notes forming part of special purpose standalone financial statements  
(Amount in Rupees, except for shares data or as otherwise stated)

**Note**

**No.**

**3 Property, plant and equipment**

Particulars	Leasehold improvements	Kitchen equipments	Furniture, fixtures, & office equipments	Computer	Total
<b>Cost:</b>					
As at 01 April 2018	-	-	-	-	-
Additions	33,228,088	10,445,914	6,632,187	1,037,422	51,343,611
Deletions	-	-	-	-	-
Transalation adjustment	(288,610)	(90,730)	(57,605)	(9,011)	(445,956)
<b>Balance as at 31 March 2019</b>	<b>32,939,478</b>	<b>10,355,184</b>	<b>6,574,582</b>	<b>1,028,411</b>	<b>50,897,655</b>
<b>Depreciation</b>					
As at 01 April 2018	-	-	-	-	-
Charge for the year	3,189,669	672,591	680,237	219,505	4,762,002
Reversal relating to deletion	-	-	-	-	-
Transalation adjustment	(27,705)	(5,842)	(5,908)	(1,906)	(41,361)
<b>Balance as at 31 March 2019</b>	<b>3,161,964</b>	<b>666,749</b>	<b>674,329</b>	<b>217,599</b>	<b>4,720,641</b>
<b>Net book value</b>					
As at 31 March 2019	29,777,514	9,688,435	5,900,253	810,812	46,177,014
As at 01 March 2018	-	-	-	-	-





Barbeque Nation (Malaysia) SDN. BHD.

Notes forming part of special purpose standalone financial statements

(Amount in Rupees, except for shares data or as otherwise stated)

Note

No.

<b>4</b>	<b>Loans</b>		
	<b>Particulars as at</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	<b>Non-current</b>		
	Security deposit	2,890,255	2,360,573
	<b>Total</b>	<b>2,890,255</b>	<b>2,360,573</b>
<b>5</b>	<b>Inventories</b>		
	<b>Particulars as at</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	Food and beverages	1,069,130	-
	<b>Total</b>	<b>1,069,130</b>	<b>-</b>
<b>6</b>	<b>Cash and cash equivalents</b>		
	<b>Particulars as at</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	Cash-in-hand	-	-
	In current account	2,133,451	243,336
	<b>Total</b>	<b>2,133,451</b>	<b>243,336</b>
<b>7</b>	<b>Other current assets</b>		
	<b>Particulars as at</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	Prepaid expenses	157,064	673,968
	Other receivables	1,245,466	19,541,096
	<b>Total</b>	<b>1,402,530</b>	<b>20,215,064</b>
<b>8</b>	<b>Equity share capital</b>		
	<b>Particulars as at</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	Authorised capital		
	300,000 (300,000) shares of AED 100 each	16,994,600	16,849,200
	Issued, subscribed and paid-up capital		
	300,000 (300,000) shares of AED 100 each	16,994,600	16,849,200
	<b>Total</b>	<b>16,994,600</b>	<b>16,849,200</b>
<b>9</b>	<b>Other equity</b>		
	<b>Particulars as at</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	<b>Retained earnings</b>		
	Opening balance	(1,786,032)	-
	Total comprehensive loss for the year / period	(32,023,162)	(1,786,032)
	Exchange	(15,413)	-
	<b>Closing balance</b>	<b>(33,824,607)</b>	<b>(1,786,032)</b>
<b>10</b>	<b>Borrowings</b>		
	<b>Particulars as at</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	Non-current		
	Long-term loan from related parties	63,683,100	7,565,864
	<b>Total</b>	<b>63,683,100</b>	<b>7,565,864</b>
<b>11</b>	<b>Trade payables</b>		
	<b>Particulars as at</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	Trade payables	6,819,287	189,941
	<b>Total</b>	<b>6,819,287</b>	<b>189,941</b>



Barbeque Nation (Malaysia) SDN. BHD.

Notes forming part of special purpose standalone financial statements

(Amount in Rupees, except for shares data or as otherwise stated)

Note

No.

<b>12 Revenue from operations</b>		
<b>Particulars for the year/ period ended</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Sale of food & beverages	15,593,200	-
<b>Total</b>	<b>15,593,200</b>	<b>-</b>
<b>13 Employee benefits expenses</b>		
<b>Particulars for the year/ period ended</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Salaries and wages	9,261,195	-
<b>Total</b>	<b>9,261,195</b>	<b>-</b>
<b>14 Other expenses</b>		
<b>Particulars for the year/ period ended</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Lease rent	6,577,277	-
Royalty expenses	313,949	-
Management fees	3,937,863	-
Other expenses	9,254,754	1,747,334
<b>Total</b>	<b>20,083,843</b>	<b>1,747,334</b>
<b>15 Finance costs</b>		
<b>Particulars for the year/ period ended</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Interest on loan from related parties	2,543,222	38,698
<b>Total</b>	<b>2,543,222</b>	<b>38,698</b>
<b>16 Contingent liability and capital commitment</b>		
<b>Particulars for the year/ period ended</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Contingent liability	-	-
Capital commitment	-	-



**Barbeque Nation (Malaysia) SDN. BHD.**

Notes forming part of special purpose standalone financial statements  
(Amount in Rupees, except for shares data or as otherwise stated)

**Note**

**No.**

**17 Related party transactions**

**A List of related parties**

Ultimate holding company	Barbeque-Nation Hospitality Limited, India
Holding company	Barbeque Nation Mena Holding Limited, U.A.E

**B Transactions with related parties**

Particulars	Ultimate holding company	Holding company	31-Mar-19	31-Mar-18
<b>Expenses</b>				
Management fees	3,937,863	-	<b>3,937,863</b>	-
Royalty expenses	313,949	-	<b>313,949</b>	-
Interest on loan from related parties	2,543,222	-	<b>2,543,222</b>	38,698

**C Balances with related parties**

Loan from shareholder (non-current)	63,683,100	-	<b>63,683,100</b>	7,565,864
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**BARBEQUE NATION (MALAYSIA) SDN. BHD.**  
(Company No.: 1249322-U)  
(Incorporated in Malaysia)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

Company No.: 1249322-U

**BARBEQUE NATION (MALAYSIA) SDN. BHD.**  
*(Incorporated in Malaysia)*

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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Company No.: 1249322-U

**BARBEQUE NATION (MALAYSIA) SDN. BHD.**  
*(Incorporated in Malaysia)*

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

The directors hereby submit their report together with the audited financial statements of the company for the year ended 31 March 2019.

**PRINCIPAL ACTIVITY**

The principal activity of the Company is running of restaurant. There has been no significant change in the nature of the activity during the financial year under review.

**RESULTS**

	RM
Loss for the year	<u>(1,884,314)</u>

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

**DIVIDENDS**

No dividends have been paid or declared since the end of the previous period. The directors do not recommend that a dividend to be paid in respect of the current year.

**RESERVES AND PROVISIONS**

There were no material transfers to or from reserves or provisions during the year.

**SHARES AND DEBENTURES**

The Company did not issue any new shares or debentures during the year.

**SHARE OPTIONS**

No options have been granted by the Company to any parties during the year to take up unissued shares of the Company.

No shares have been issued during the year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the year, there were no unissued shares of the Company under options.



Company No.: 1249322-U

## DIRECTORS

The directors of the Company in office at any time during the year and since the end of the year up to the date of this report are:

Kayum Razak Dhanani  
Marlina Binti Budin  
Raof Abdul Razak Dhanani  
Ramamurthy Mohankumar (Resigned on 1.5.2018)  
Huang Swee Lin  
Ravdeep Singh (Appointed on 26.6.2018; Resigned on 28.2.2019)  
Mansoor Mohmed Ismail (Appointed on 28.2.2019)

## DIRECTORS' BENEFITS

During and at the end of the year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous period, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the 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.

## DIRECTORS' INTERESTS

None of the directors in office at the end of the period have interest in shares of the Company during the year ended 31 March 2019.

## DIRECTORS' REMUNERATIONS

None of the directors or past directors of the Company have received any remunerations from the Company during the year.

None of the directors or past directors of the Company have received any other benefits otherwise than in cash from the Company during the year.

No payment has been paid to or payable to any third party in respect of the services provided to the Company by the directors or past directors of the Company during the year.

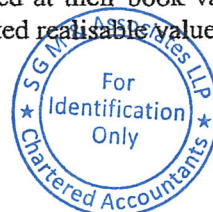
## INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been the director, officer or auditor of the Company.

## OTHER STATUTORY INFORMATION

Before the financial statements of the Company were prepared, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that there were no known bad debts and no provision was necessary; and
- (b) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.



Company No.: 1249322-U

#### OTHER STATUTORY INFORMATION (CONT'D)

As of the date of this report, the directors are not aware of any circumstances:

- (a) it necessary to write off any bad debts or to make provisions for doubtful debts in respect of the financial statements of the Company; and
- (b) which would render the values attributed to current assets in the financial statements of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

As of the date of this report, there does not exist:

- (a) any charge on the assets of the Company which has arisen since the end of the year and secures the liability of any other person; or
- (b) any contingent liability of the Company which has arisen since the end of the year.

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 year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the directors:

- (a) the results of the operations of the Company during the year were not substantially affected by any item, transaction or event of a material and unusual nature.
- (b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of operations of the Company for the year in which this report is made.

#### HOLDING COMPANY

The Company is a wholly owned subsidiary of Barbeque Nation Holdings Limited, a Company incorporated in United Arab Emirates.

#### AUDITORS' REMUNERATIONS

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors are as follows:

Statutory audit

2019  
RM

7.700





Company No.: 1249322-U

**AUDITORS**

The retiring auditors, Messrs. **GP & CO**, have indicated their willingness to be re-appointed.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,



**Mansoor Mohmed Ismail**  
Director



**Kayum Razak Dhanani**  
Director

Bengaluru, Karnataka

27 MAY 2019



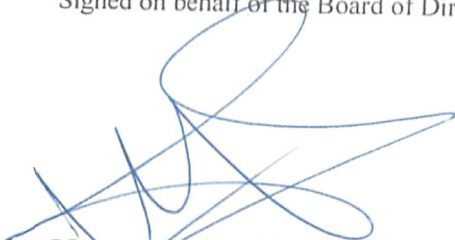
Company No.: 1249322-U

**BARBEQUE NATION (MALAYSIA) SDN. BHD.**  
*(Incorporated in Malaysia)*

**STATEMENT BY DIRECTORS**  
Pursuant to Section 251 (2) of the Companies Act 2016

The directors of **BARBEQUE NATION (MALAYSIA) SDN. BHD.** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Private Entities Reporting Standard 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 Company as at **31 March 2019** and financial performance of the Company for the year ended **31 March 2019**.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,



**Mansoor Mohmed Ismail**  
Director



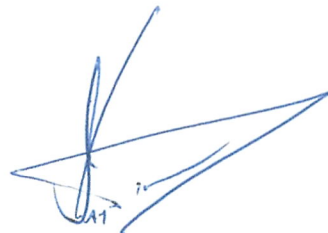
**Kayum Razak Dhanani**  
Director

Bengaluru, Karnataka  
27 MAY 2019

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

I, **Kayum Razak Dhanani**, the director primarily responsible for the financial management of **BARBEQUE NATION (MALAYSIA) SDN. BHD.**, do solemnly and sincerely declare that the accompanying financial statements 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 Notaries Act, 1952.

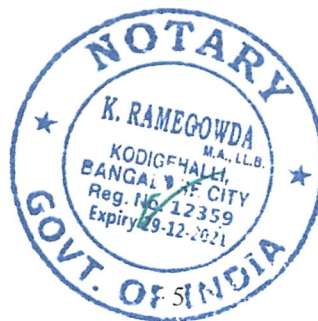
Subscribed and solemnly declared by  
the above-named at Bengaluru in the State of  
Karnataka this 27 MAY 2019



Kayum Razak Dhanani

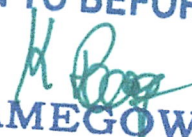
Before me,

COMMISSIONER FOR OATHS



27 MAY 2019

SWORN TO BEFORE ME

  
**K. RAMEGOWDA**  
M.A., LL.B.  
ADVOCATE & NOTARY PUBLIC  
GOVT. OF INDIA  
Reg. No. 12359  
Expiry Dt : 29-12-2021  
22/1, 5th Cross, S.R.K. Indian School Road,  
Hanumalah Layout, Kodigehalli,  
BENGALURU - 560 092.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BARBEQUE NATION (MALAYSIA) SDN. BHD. (Company No.: 1249322-U)**  
*(Incorporated in Malaysia)*

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of **BARBEQUE NATION (MALAYSIA) SDN. BHD.**, which comprise the statement of financial position as at **31 March 2019**, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at **31 March 2019**, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard 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 opinion.

**Independence and Other Ethical Responsibilities**

We are independent 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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**Material Uncertainty Related to Going Concern**

We draw attention to **Note 16** in the financial statements, which indicates that the Company incurred a net loss of RM 1,884,314 during the year ended **31 March 2019** and, as of that date, the Company's current liabilities exceeded its current assets by RM 3,707,473 and capital deficiency of RM 990,315. As stated in **Note 16**, these events or conditions, along with other matters as set forth in **Note 16**, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BARBEQUE NATION (MALAYSIA) SDN. BHD. (Company No.: 1249322-U)**  
*(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 Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements 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, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Statements**

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard 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 Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing 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 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BARBEQUE NATION (MALAYSIA) SDN. BHD. (Company No.: 1249322-U)**  
*(Incorporated in Malaysia)*

**Report on the Audit of the Financial Statements (Cont'd)**

**Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BARBEQUE NATION (MALAYSIA) SDN. BHD. (Company No.: 1249322-U)**  
*(Incorporated in Malaysia)*

**Report on the Audit of the Financial Statements (Cont'd)**

**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.



**GP & CO**  
AF No: 002071  
Chartered Accountants

Petaling Jaya  
27 May 2019



**Ganesen Pillay Narayana Pillay**  
Approval No: 2765/02/21 (J)  
Chartered Accountant



Company No.: 1249322-U

**BARBEQUE NATION (MALAYSIA) SDN. BHD.**  
*(Incorporated in Malaysia)*

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

	Note	2019 RM	2018 RM
<b>ASSETS</b>			
<b>NON-CURRENT ASSET</b>			
Property, plant and equipment	3	<u>2,717,158</u>	<u>-</u>
<b>CURRENT ASSETS</b>			
Inventories	4	62,910	-
Trade receivables	5	20,734	-
Other receivables, deposits and prepayments	6	231,863	1,339,864
Cash and bank balances		<u>125,537</u>	<u>14,442</u>
		<u>441,044</u>	<u>1,354,306</u>
<b>TOTAL ASSETS</b>		<u><u>3,158,202</u></u>	<u><u>1,354,306</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Share capital	7	1,000,000	1,000,000
Accumulated losses		<u>(1,990,315)</u>	<u>(106,001)</u>
<b>(CAPITAL DEFICIENCY)/SHAREHOLDERS' EQUITY</b>		<u>(990,315)</u>	<u>893,999</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	8	118,007	-
Other payables and accruals	9	283,255	11,273
Amount due to holding company	10	651,895	395,424
Amount due to a related company	11	<u>3,095,360</u>	<u>53,610</u>
		<u>4,148,517</u>	<u>460,307</u>
<b>TOTAL LIABILITIES</b>		<u>4,148,517</u>	<u>460,307</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>3,158,202</u></u>	<u><u>1,354,306</u></u>



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

Company No.: 1249322-U

**BARBEQUE NATION (MALAYSIA) SDN. BHD.**  
*(Incorporated in Malaysia)*

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 RM	2018 RM
REVENUE	12	909,569	-
Cost of sales		<u>(639,665)</u>	<u>-</u>
Gross profit		269,904	-
Administration expenses		(1,589,235)	(103,501)
Other operating expenses		<u>(416,634)</u>	<u>-</u>
Loss from operations		(1,735,965)	(103,501)
Finance costs		<u>(148,349)</u>	<u>(2,500)</u>
Loss before tax	13	(1,884,314)	(106,001)
Income tax expense	14	<u>-</u>	<u>-</u>
Loss for the year		<u>(1,884,314)</u>	<u>(106,001)</u>



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



Company No.: 1249322-U

**BARBEQUE NATION (MALAYSIA) SDN. BHD.**  
*(Incorporated in Malaysia)*

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	Share capital RM	Accumulated losses RM	Total RM
As at 3 October 2017 <i>(Date of incorporation)</i>	2	-	2
Issue of shares during the period	999,998	-	999,998
Loss for the period	<u>-</u>	<u>(106,001)</u>	<u>(106,001)</u>
As at 31 March 2018	1,000,000	(106,001)	893,999
Loss for the year	<u>-</u>	<u>(1,884,314)</u>	<u>(1,884,314)</u>
As at 31 March 2019	<u>1,000,000</u>	<u>(1,990,315)</u>	<u>(990,315)</u>



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

Company No.: 1249322-U

**BARBEQUE NATION (MALAYSIA) SDN. BHD.**  
*(Incorporated in Malaysia)*

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	2019 RM	2018 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(1,884,314)	(106,001)
Adjustments for:		
Depreciation of property, plant and equipment	277,773	-
Interest expenses	148,349	2,500
Operating loss before working capital changes	(1,458,192)	(103,501)
Increase in inventories	(62,910)	-
Increase in trade receivables	(20,734)	-
Decrease/(Increase) in other receivables	1,108,001	(1,339,864)
Increase in trade payables	118,007	-
Increase in other payables	271,982	11,273
Cash used in operations	(43,846)	(1,432,092)
Interest paid	(148,349)	(2,500)
Net cash used in operating activities	(192,195)	(1,434,592)
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Proceed from issuance of share capital	-	1,000,000
Purchase of property, plant and equipment	(2,994,931)	-
Net cash (used in)/from investing activity	(2,994,931)	1,000,000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances from a related company	3,041,752	395,424
Advances from holding company	256,469	53,610
Net cash from financing activities	3,298,221	449,034
Net increase in cash and cash equivalents	111,095	14,442
Cash and cash equivalents at beginning of the year	14,442	-
Cash and cash equivalents at end of the year/period	125,537	14,442
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	125,537	14,442



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

Company No.: 1249322-U

**BARBEQUE NATION (MALAYSIA) SDN. BHD.**  
*(Incorporated in Malaysia)*

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**1 GENERAL INFORMATION**

The Company is a private limited company incorporated and domiciled in Malaysia.

The registered office is located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama 47800 Petaling Jaya, Selangor.

The principal place of business is located at Lot No-9.101.00, ES9.101.00, 9.102.00 & ES9.102.00, 9th Floor, Elite Pavilion Mall, 168, Jalan Bukit Bintang, Kuala Lumpur.

The principal activity of the Company is running of restaurant. There has been no significant change in the nature of the activity during the financial year.

The Company is a wholly owned subsidiary of Barbeque Nation Holdings Limited, a Company incorporated in United Arab Emirates.

The financial statements of the Company are presented in the functional currency, which is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is Ringgit Malaysia as the sales and purchases are mainly denominated in Ringgit Malaysia and receipts from operations are usually retained in Ringgit Malaysia and funds from financing activities are generated in Ringgit Malaysia.

**2 SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with the Malaysian Private Entities Reporting Standard ("MPERS") and the requirements of the Companies Act 2016.

The financial statements have been prepared on the historical cost basis.

The principal accounting policies adopted are set out below:

**2.1 PROPERTY, PLANT AND EQUIPMENT**

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. After recognition as an asset, an item of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on a straight-line method so as to write off the depreciable amount of the following assets over their estimated useful lives, as follows:

	<u>Rate</u>
Computer and software	33.33%
Furniture and fittings	20%
Kitchen equipment	12.5%
Renovation	11.11 - 16.66%
Security system	33.33%
Signboard	11.11%



## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation of an asset begins when it is ready for its intended use. If there is an indication of a significant change in factors affecting the residual value, useful life or asset consumption pattern since the last annual reporting date, the residual values, depreciation method and useful lives of depreciable assets are reviewed, and adjusted prospectively.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss. Neither the sale proceeds nor any gain on disposal is classified as revenue.

### 2.2 INVENTORIES

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is measured by using the First-in First-out method.

At each reporting date, inventories are assessed for impairment. If an item of inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss. At each subsequent reporting date, the Company makes a new assessment of selling price less costs to complete and sell. If there is any indication that an impairment loss recognised in prior periods may no longer exist or when there is clear evidence of an increase in selling price less costs to complete and sell due to changed economic circumstances, an impairment loss is reversed to the extent that the new carrying amount is the lower of the cost and the revised selling price less costs to complete and sell.

### 2.3 IMPAIRMENT OF ASSETS, OTHER THAN INVENTORIES AND FINANCIAL ASSETS

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

When there is an indication that an asset may be impaired but it is not possible to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset and a cash-generating unit is the higher of the fair value less costs to sell and value in use. In assessing value in use, 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.



## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 IMPAIRMENT OF ASSETS, OTHER THAN INVENTORIES AND FINANCIAL ASSETS (CONT'D)

If the recoverable amount of an asset or a cash-generating unit is less than the carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then, to the other non-current assets of the unit pro rata on the basis of the carrying amount of each appropriate asset in the cash-generating unit. Impairment loss is recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case it is treated as a revaluation decrease.

The recoverable amount is the higher of an asset's or cash-generating unit's fair value less to sell, value in use and zero.

An impairment loss recognised in prior periods for an asset or the appropriate assets of a cash-generating unit is reversed when there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the asset is carried at revalued amount, in which case it is treated as a revaluation increase.

### 2.4 FINANCIAL ASSETS

Financial assets are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets are measured at transaction price, include transaction costs for financial assets not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the counterparty to the arrangement.

After initial recognition, financial assets are classified into one of three categories: financial assets measured at fair value through profit or loss, financial assets that are debt instruments measured at amortised cost, and financial assets that are equity instruments measured at cost less impairment.

#### i) *Financial Assets At Fair Value Through Profit Or Loss*

Financial assets are classified as at fair value through profit or loss when the financial assets are within the scope of Section 12 of the MPERS or if the financial assets are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

Changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.



## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 FINANCIAL ASSETS (CONT'D)

#### ii) *Financial Assets That Are Debt Instruments Measured At Amortised Cost*

After initial recognition, debt instruments are measured at amortised cost using the effective interest method. Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received. After initial recognition, debt instruments are measured at amortised cost using the effective interest method. Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received.

Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or, when appropriate, a shorter period, to the carrying amount of the financial assets.

#### iii) *Financial Assets That Are Equity Instruments Measured At Cost Less Impairment*

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort, and contracts linked to such instruments that, if exercised, will result in delivery of such instruments, are measured at cost less impairment.

#### iv) *Impairment Of Financial Assets*

At the end of each reporting period, the Company assesses whether there is any objective evidence that financial assets that are measured at cost or amortised cost, are impaired.

Objective evidence could include:

- significant financial difficulty of the issuer; or
- a breach of contract; or
- the lender granting to the borrower a concession that the lender would not otherwise consider; or
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

For certain category of financial assets, such as trade receivables, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment.



## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 FINANCIAL ASSETS (CONT'D)

#### iv) *Impairment Of Financial Assets (Cont'd)*

Impairment losses, in respect of financial assets measured at amortised cost, are measured as the differences between the assets' carrying amounts and the present values of their estimated cash flows discounted at the assets' original effective interest rate.

If there is objective evidence that impairment losses have been incurred on financial assets measured at cost less impairment, the amount of impairment losses are measured as the difference between the asset's carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts of trade receivables which are reduced through the use of an allowance account. Any impairment loss is recognised in profit or loss immediately. If, in subsequent period, the amount of an impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

#### v) *De-Recognition Of Financial Assets*

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or are settled, or the Company transfers to another party substantially all of the risks and rewards of ownership of the financial assets.

On de-recognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses are recognised in profit or loss in the period of the transfer.

### 2.5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows comprise cash and bank balances, short-term bank deposits and other short-term, highly liquid investments that have a short maturity of three months or less from the date of acquisition, net of bank overdrafts.



## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.6 LIABILITIES AND EQUITY

#### i) *Classification Of Liabilities And Equity*

Financial liabilities and equity instruments are classified in accordance with the substance of the contractual arrangement, not merely its legal form, and in accordance with the definitions of a financial liability and an equity instrument.

#### ii) *Equity Instruments*

Ordinary shares are classified as equity.

Equity instruments are any contracts that evidence a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company, other than those issued as part of a business combination or those accounted for in paragraph 22.15A to 22.15B, are measured at the fair value of the cash or other resources received or receivable, net of transaction costs. If payment is deferred and the time value of money is material, the initial measurement shall be on a present value basis.

The company accounts for the transaction costs of an equity as a deduction from equity. Income tax relating to the transaction costs is accounted for in accordance with section 29 of the MPERS.

Distributions to owners are deducted from the equity. Related income tax is accounted for in accordance with Section 29 of the MPERS.

### 2.7 FINANCIAL LIABILITIES

Financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial liabilities are measured at transaction price, include transaction costs for financial liabilities not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the Company to the arrangement.

After initial recognition, financial liabilities are classified into one of three categories: financial liabilities measured at fair value through profit or loss, financial liabilities measured at amortised cost, or loan commitments measured at cost less impairment.

#### i) *Financial Liabilities Measured At Fair Value Through Profit Or Loss*

Financial liabilities are classified as at fair value through profit or loss when the financial liabilities are within the scope of Section 12 of the MPERS or if the financial liabilities are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.





## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.7 FINANCIAL LIABILITIES (CONT'D)

#### *ii) Financial Liabilities Measured At Amortised Cost*

After initial recognition, financial liabilities other than financial liabilities at fair value through profit or loss are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities are derecognised or impaired.

Effective interest method is a method of calculating the amortised cost of financial liabilities and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments through the expected life of the financial liabilities or, when appropriate, a shorter period, to the carrying amount of the financial liabilities.

#### *iii) Loan Commitments Measured At Cost Less Impairment*

Commitments to receive loan that meet the conditions of Section 11 of the MPERS are measured at cost less impairment.

#### *iv) Derecognition Of Financial Liabilities*

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amounts of the financial liabilities derecognised and the consideration paid is recognised in profit or loss.

### 2.8 REVENUE

This represents the revenue from sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and taxes applicable to the revenue.

### 2.9 INCOME TAX

Tax expense is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised in other comprehensive income.

Tax payable on taxable profit for current and past periods is recognised as a current tax liability to the extent unpaid. If the amount paid in respect of the current and past periods exceeds the amount payable for those periods, the excess is recognised as a current tax asset. Current tax assets and liabilities are measured at the amounts expected to be paid or recovered, using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Current tax liabilities and assets are offset if, and only if the Company has a legally enforceable right to set off the amounts and plan either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is provided in full on temporary differences which are the differences between the carrying amounts in the financial statements and the corresponding tax base of an asset or liability at the end of the reporting period.



## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.9 INCOME TAX (CONT'D)

Deferred tax liabilities are recognised for all taxable temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all deductible temporary differences that are expected to reduce taxable profit in the future and the carry forward of unused tax losses and unused tax credits.

Deferred tax liabilities and assets are not recognised in respect of the temporary differences associated with the initial recognition of an asset or a liability in a transaction that is not a business combination and at the time of the transactions, affects neither accounting profit nor taxable profit. Deferred tax liabilities are also not recognised for temporary difference associated with the initial recognition of goodwill.

Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amounts of their assets and liabilities and are measured at the tax rates and laws that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the reporting date.



**3 PROPERTY PLANT AND EQUIPMENT**

	As at 1 April 2018 RM	Additions RM	Disposals RM	As at 31 March 2019 RM
<b><u>Cost</u></b>				
Computer and software	-	60,514	-	60,514
Furniture and fittings	-	386,863	-	386,863
Kitchen equipment	-	609,322	-	609,322
Renovation	-	1,870,430	-	1,870,430
Security system	-	16,960	-	16,960
Signboard	-	50,842	-	50,842
	-	2,994,931	-	2,994,931

	As at 1 April 2018 RM	Charges for the year RM	Disposals RM	As at 31 March 2019 RM
<b><u>Accumulated Depreciation</u></b>				
Computer and software	-	12,804	-	12,804
Furniture and fittings	-	39,679	-	39,679
Kitchen equipment	-	39,233	-	39,233
Renovation	-	178,976	-	178,976
Security system	-	3,562	-	3,562
Signboard	-	3,519	-	3,519
	-	277,773	-	277,773

	2019 RM	2018 RM
<b><u>Carrying Amounts</u></b>		
Computer and software	47,710	-
Furniture and fittings	347,184	-
Kitchen equipment	570,089	-
Renovation	1,691,454	-
Security system	13,398	-
Signboard	47,323	-
	2,717,158	-



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**4 INVENTORIES**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Food and beverages	<u>62,910</u>	<u>-</u>

**5 TRADE RECEIVABLES**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Trade receivables	<u>20,734</u>	<u>-</u>

**6 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Other receivables	52,552	1,159,764
Deposits	170,069	140,100
Prepayments	<u>9,242</u>	<u>40,000</u>
	<u>231,863</u>	<u>1,339,864</u>

**7 SHARE CAPITAL**

	<b>Number of shares</b>		<b>2019</b>	<b>2018</b>
	<b>2019</b>	<b>2018</b>		
<b>Issued and fully paid ordinary shares</b>	<b>Units</b>	<b>Units</b>		
At beginning of the year/period	1,000,000	2	1,000,000	2
Issuance during the period	<u>-</u>	<u>999,998</u>	<u>-</u>	<u>999,998</u>
At the end of the year/period	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

Ordinary shares of the Company have no par value. The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.



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**8 TRADE PAYABLES**

	2019 RM	2018 RM
Trade payables	<u>118,007</u>	<u>-</u>

The normal trade credit terms granted to the Company ranges from 30 to 60 days.

**9 OTHER PAYABLES AND ACCRUALS**

	2019 RM	2018 RM
Other payables	82,442	5,073
Accruals	<u>200,813</u>	<u>6,200</u>
	<u>283,255</u>	<u>11,273</u>

**10 AMOUNT DUE TO HOLDING COMPANY**

The amount is unsecured, interest-free and repayable on demand.

**11 AMOUNT DUE TO A RELATED COMPANY**

The amount is unsecured, interest-free and repayable on demand.

**12 REVENUE**

Revenue represents invoiced value of sales less discounts.

**13 LOSS BEFORE TAX**

**13.1 DISCLOSURE ITEMS**

	2019 RM	2018 RM
This is stated after charging:		
Audit fee	7,700	3,500
Depreciation of property, plant and equipment	277,773	-
Interest on loan	148,349	2,500
Rental of premises	<u>383,660</u>	<u>-</u>

**14 INCOME TAX EXPENSE**

No taxation is provided in the financial statements for the current financial year as the Company has no chargeable income.



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**15 HOLDING COMPANY**

The Company is a wholly owned subsidiary of Barbeque Nation Holdings Limited, a Company incorporated in United Arab Emirates.

**16 GOING CONCERN**

The Company incurred a net loss of RM 1,884,314 during the financial year ended **31 March 2019**, and as of that date, the Company's current liabilities exceeded its current assets by RM 3,707,473 and its total liabilities exceeded its total assets by RM 990,315. The ability of the Company to continue as a going concern will depend on the ability of the shareholders to provide ongoing financial support.

**17 COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current year's presentation.

**18 AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS**

The financial statements of the Company were authorised for issue by the Board of Directors on 27 May 2019.



Company No.: 1249322-U

**BARBEQUE NATION (MALAYSIA) SDN. BHD.**  
*(Incorporated in Malaysia)*

**DETAILED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	2019 RM	2018 RM
REVENUE	909,569	-
LESS: COST OF SALES	639,665	-
GROSS PROFIT	<u>269,904</u>	<u>-</u>
LESS: OPERATING EXPENSES	<u>(2,154,218)</u>	<u>(106,001)</u>
LOSS BEFORE TAX	<u><u>(1,884,314)</u></u>	<u><u>(106,001)</u></u>



*This Statement is prepared for the purpose of the Management's use only and does not form part of the statutory audited financial statements.*

Company No.: 1249322-U

**BARBEQUE NATION (MALAYSIA) SDN. BHD.**  
*(Incorporated in Malaysia)*

**OPERATING EXPENSES**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	2019 RM	2018 RM
<b>ADMINISTRATION EXPENSES</b>		
Accounting fee	12,000	1,500
Audit fee	7,700	3,500
Bank charges	287	97
Credit card charges	6,120	-
E.I.S contribution	476	-
E.P.F. contribution	34,136	-
Electricity and water	37,834	-
GST expenses	-	990
Insurance	5,511	-
License fee	5,506	-
Medical fee	501	-
Permit charges	6,093	1,275
Postage and courier	213	395
Printing and stationery	8,713	27,900
Professional fee	29,171	-
Recruitment expenses	8,000	26,488
Rental of premises	383,660	-
Retainer fee	24,000	4,000
Royalty expenses	18,313	-
Salary, wages and bonus	540,216	-
Shared services expenses	229,700	-
Secretarial and filing fees	17,354	6,289
SOCSO contributions	4,162	-
Staff uniform	8,741	-
Staff welfare	8,031	-
Sundry expenses	16,186	36
Tax agent fee	-	1,200
Telephone charges	11,695	29,831
Training expenses	11	-
Travelling and accommodation	164,905	-
	<u>1,589,235</u>	<u>103,501</u>
<b>OTHER OPERATING EXPENSES</b>		
Depreciation of property, plant and equipment	277,773	-
Upkeep of buildings	467	-
Upkeep of computers	1,620	-
Upkeep of restaurant	136,774	-
	<u>416,634</u>	<u>-</u>
<b>FINANCE COSTS</b>		
Interest on loan	148,349	2,500
	<u>2,154,218</u>	<u>106,001</u>

*This Statement is prepared for the purpose of the Management's use only and does not form part of the statutory audited financial statements.*

