

**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 2020, 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 2020 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 2020 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 black ink, appearing to read "S Vishwamurthy".

**S Vishwamurthy**  
Partner  
Membership No. 215675

**Bengaluru, 28 January 2021**  
UDIN: 21215675AAAAAF9604



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

Special Purpose Standalone Balance Sheet as at 31 March 2020

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

Particulars as at	Note No.	31-Mar-2020	31-Mar-2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,92,73,625	4,61,77,014
Right-to-Use assets	4	2,34,14,151	2,65,49,542
Financial assets			
Loans	5	22,86,560	28,90,255
<b>Total Non-current assets [A]</b>		<b>6,49,74,336</b>	<b>7,56,16,811</b>
<b>Current assets</b>			
Inventories	6	9,97,203	10,69,130
Financial assets			
Cash and cash equivalents	7	11,17,505	21,33,451
Other current assets	8	12,96,894	14,02,530
<b>Total current assets [B]</b>		<b>34,11,602</b>	<b>46,05,111</b>
<b>Total assets [A+B]</b>		<b>6,83,85,938</b>	<b>8,02,21,922</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9	1,75,70,000	1,69,94,600
Other equity	10	(6,43,01,876)	(4,05,76,766)
<b>Equity attributable to owners of the Company [C]</b>		<b>(4,67,31,876)</b>	<b>(2,35,82,166)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	11	7,97,56,450	6,36,83,100
Lease liabilities	4	2,12,29,593	2,50,72,818
<b>Total Non-current liabilities [D]</b>		<b>10,09,86,043</b>	<b>8,87,55,918</b>
<b>Current liabilities</b>			
Financial Liabilities			
Lease liabilities	4	78,50,830	82,28,882
Trade payables	12	62,80,941	68,19,288
<b>Total current liabilities [E]</b>		<b>1,41,31,771</b>	<b>1,50,48,170</b>
<b>Total liabilities [F= [D+E]]</b>		<b>11,51,17,814</b>	<b>10,38,04,088</b>
<b>Total equity and liabilities [F+C]</b>		<b>6,83,85,938</b>	<b>8,02,21,922</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 2020  
(Amount in Rupees, except for shares data or as otherwise stated)

Particulars for the year	Note No.	31-Mar-2020	31-Mar-2019
<b>REVENUE</b>			
Revenue from operations	13	3,45,98,063	1,55,93,200
<b>Total (A)</b>		<b>3,45,98,063</b>	<b>1,55,93,200</b>
<b>Expenses</b>			
Cost of revenue		1,22,93,804	1,09,66,100
Employee benefits expenses	14	1,11,52,096	92,61,195
Other operating expenses	15	1,16,23,409	1,38,53,020
<b>Total (B)</b>		<b>3,50,69,309</b>	<b>3,40,80,315</b>
<b>Earnings before exceptional items, finance costs, depreciation and amortisation (EBITDA) (C) = (A-B)</b>		<b>(4,71,246)</b>	<b>(1,84,87,115)</b>
Finance costs (D)	16	68,10,382	73,95,897
Depreciation expense (E)	17	1,50,69,642	1,28,92,309
<b>Loss before tax and exceptional items (F) = (C-D-E)</b>		<b>(2,23,51,270)</b>	<b>(3,87,75,321)</b>
Exceptional items (G)		-	-
<b>Loss before tax (H) = (F-G)</b>		<b>(2,23,51,270)</b>	<b>(3,87,75,321)</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 (J) = (H-I)</b>		<b>(2,23,51,270)</b>	<b>(3,87,75,321)</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 (J + K)</b>		<b>(2,23,51,270)</b>	<b>(3,87,75,321)</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 01 April 2018</b>	<b>1,68,49,200</b>	<b>(17,86,032)</b>	<b>1,50,63,168</b>
Issued during the year	-	-	-
Loss for the year	-	(3,87,75,321)	(3,87,75,321)
Exchange	1,45,400	(15,413)	1,29,987
<b>As at 31 March 2019</b>	<b>1,68,49,200</b>	<b>(4,05,76,766)</b>	<b>(2,35,82,166)</b>
Issued during the year	-	-	-
Loss for the year	-	(2,23,51,270)	(2,23,51,270)
Exchange	5,75,400	(13,73,840)	(7,98,440)
<b>As at 31 March 2020</b>	<b>1,74,24,600</b>	<b>(6,43,01,876)</b>	<b>(4,67,31,876)</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 2020

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

<b>Particulars for the year ended</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
<b>Cashflows from operating activities</b>		
Loss for the year	(2,23,51,270)	(3,87,75,321)
Adjustments for:		
Depreciation	1,50,69,642	1,28,92,309
Interest expenses	68,10,382	73,95,897
Loss on disposal / write-off of property, plant and equipments	-	-
<b>Operating loss before working capital changes</b>	<b>(4,71,246)</b>	<b>(1,84,87,115)</b>
Changes in inventories	1,04,803	(10,78,498)
Changes in other receivables and prepayments	16,56,325	1,82,85,380
Changes in accruals and other payables	(38,675)	66,85,778
<b>Net cash used in operating activities</b>	<b>12,51,207</b>	<b>54,05,545</b>
<b>Cashflows from investing activities</b>		
Purchase of property, plant and equipments (including capital work-in-progress) (net)	(6,69,637)	(5,13,43,612)
<b>Net cash used in investing activities</b>	<b>(6,69,637)</b>	<b>(5,13,43,612)</b>
<b>Cashflow from financing activities</b>		
Proceeds from loan from related parties	1,34,89,446	5,65,43,065
Lease liabilities repaid	(82,76,580)	(61,71,661)
Interest paid	(68,10,382)	(25,43,222)
<b>Net cash flow from financing activities</b>	<b>(15,97,516)</b>	<b>4,78,28,182</b>
<b>Net changes in cash and cash equivalents</b>	<b>(10,15,946)</b>	<b>18,90,115</b>
Cash and cash equivalents at beginning of the year	21,33,451	2,43,336
<b>Cash and cash equivalents at end of the year</b>	<b>11,17,505</b>	<b>21,33,451</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 & ES9.102.00, 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 financials statements of the Company as at and for the year ended 31 March 2020 were prepared in accordance with Malaysian Private Entities Reporting Standards (MPERS) 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(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 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**

Exchange rates for*	31-Mar-2020	31-Mar-2019
- assets and liabilities	17.57	16.99
- income and expenses	17.03	17.14

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

Refer the audited financials statement of the Company as on and for the period ended 31 March 2020 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	3,32,28,088	1,04,45,914	66,32,187	10,37,422	5,13,43,611
Deletions	-	-	-	-	-
Transalation adjustment	(2,88,610)	(90,730)	(57,605)	(9,011)	(4,45,956)
<b>Balance as at 31 March 2019</b>	<b>3,29,39,478</b>	<b>1,03,55,184</b>	<b>65,74,582</b>	<b>10,28,411</b>	<b>5,08,97,655</b>
Additions	6,34,572	10,184	24,881	-	6,69,637
Deletions	-	-	-	-	-
Transalation adjustment	11,35,380	3,50,926	2,23,390	34,820	17,44,516
<b>Balance as at 31 March 2020</b>	<b>3,47,09,430</b>	<b>1,07,16,294</b>	<b>68,22,853</b>	<b>10,63,231</b>	<b>5,33,11,808</b>
<b>Depreciation</b>					
As at 01 April 2018	-	-	-	-	-
Charge for the year	31,89,669	6,72,591	6,80,237	2,19,505	47,62,002
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>31,61,964</b>	<b>6,66,749</b>	<b>6,74,329</b>	<b>2,17,599</b>	<b>47,20,641</b>
Charge for the year	59,02,973	13,37,468	12,67,815	3,68,001	88,76,257
Reversal relating to deletion	-	-	-	-	-
Transalation adjustment	2,94,233	64,984	63,032	19,036	4,41,285
<b>Balance as at 31 March 2020</b>	<b>93,59,170</b>	<b>20,69,201</b>	<b>20,05,176</b>	<b>6,04,636</b>	<b>1,40,38,184</b>
<b>Net book value</b>					
As at 31 March 2020	2,53,50,260	86,47,093	48,17,677	4,58,595	3,92,73,625
As at 31 March 2019	2,97,77,514	96,88,435	59,00,253	8,10,812	4,61,77,014





**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.

**4 Leases**

The Company has adopted IFRS 16 Leases issued in January 2016 with the date of initial application of 01 April 2019. IFRS 16 introduces significant changes to lease accounting. It removes the distinction between operating and finance lease under IAS 17 and requires a lease to recognize a Right-of-Use Asset [RoU] and a Lease Liability [OLL] at lease commencement for all leases, except for short term leases and leases of low value assets. The Company has applied IFRS 16 using the retrospective approach.

The Company initially measures the RoU at cost and subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the OLL.

The Company initially measures the OLL at the present value of the future lease payments discounted using the discount rate implicit in the lease. Subsequently, the OLL is adjusted for profit and lease payments, as well as the impact of lease modification, amongst others.

The Company has elected to apply the expedient allowed by IFRS 16 on its general requirements to short-term leases (i.e one that does not include a purchase option and has a lease term at commencement date of 12 months or less) and leases of low value assets. For this the Company recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term or another systematic basis if that basis is representative of the pattern of the leasee's benefits, similar to the current accounting for operating leases.

The following table summarise the impacts of adopting IFRS 16 on the Company's financial statements.

**Disclosure on RoU**

Particulars	31-Mar-2020	31-Mar-2019
<b>At Cost</b>		
Opening balance	3,46,09,231	3,46,09,231
Modification during the year	23,55,469	-
Transalation adjustment	11,71,793	-
<b>Closing balance</b>	<b>3,81,36,493</b>	<b>3,46,09,231</b>
<b>Depreciaiton</b>		
Opening balance	80,59,689	-
Charge for the year	61,93,385	81,30,307
Transalation adjustment	4,69,268	(70,618)
<b>Closing balance</b>	<b>1,47,22,342</b>	<b>80,59,689</b>
<b>Net block</b>	<b>2,34,14,151</b>	<b>2,65,49,542</b>

**Disclosure on OLL**

Particulars	31-Mar-2020	31-Mar-2019
<b>At Cost</b>		
Opening balance	3,33,01,700	3,46,25,716
Finance cost	29,73,472	48,52,675
Payments during the year	(82,76,580)	(61,71,661)
Transalation adjustment	10,81,831	(5,030)
<b>Closing balance</b>	<b>2,90,80,423</b>	<b>3,33,01,700</b>
Current portion	78,50,830	82,28,882
Non-current portion	2,12,29,593	2,50,72,818
Expense on short-term lease	1,63,914	4,05,615





**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.

**5 Loans**

Particulars as at	31-Mar-2020	31-Mar-2019
<b>Non-current</b>		
Security deposit	22,86,560	28,90,255
<b>Total</b>	<b>22,86,560</b>	<b>28,90,255</b>

**6 Inventories**

Particulars as at	31-Mar-2020	31-Mar-2019
Food and beverages	9,97,203	10,69,130
<b>Total</b>	<b>9,97,203</b>	<b>10,69,130</b>

**7 Cash and cash equivalents**

Particulars as at	31-Mar-2020	31-Mar-2019
Cash-in-hand	-	-
In current account	11,17,505	21,33,451
<b>Total</b>	<b>11,17,505</b>	<b>21,33,451</b>

**8 Other current assets**

Particulars as at	31-Mar-2020	31-Mar-2019
Prepaid expenses	3,13,993	1,57,064
Other receivables	9,82,901	12,45,466
<b>Total</b>	<b>12,96,894</b>	<b>14,02,530</b>

**9 Equity share capital**

Particulars as at	31-Mar-2020	31-Mar-2019
Authorised capital		
300,000 (300,000) shares of AED 100 each	1,75,70,000	1,69,94,600
Issued, subscribed and paid-up capital		
300,000 (300,000) shares of AED 100 each	1,75,70,000	1,69,94,600
<b>Total</b>	<b>1,75,70,000</b>	<b>1,69,94,600</b>

**10 Other equity**

Particulars as at	31-Mar-2020	31-Mar-2019
<b>Retained earnings</b>		
Opening balance	(4,05,76,766)	(17,86,032)
Total comprehensive loss for the year	(2,23,51,270)	(3,87,75,321)
Foreign currency translation	(13,73,840)	(15,413)
<b>Closing balance</b>	<b>(6,43,01,876)</b>	<b>(4,05,76,766)</b>

**11 Borrowings**

Particulars as at	31-Mar-2020	31-Mar-2019
<b>Non-current</b>		
Long-term loan from related parties	7,97,56,450	6,36,83,100
<b>Total</b>	<b>7,97,56,450</b>	<b>6,36,83,100</b>

**12 Trade payables**

Particulars as at	31-Mar-2020	31-Mar-2019
Trade payables	62,80,941	68,19,288
<b>Total</b>	<b>62,80,941</b>	<b>68,19,288</b>





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

Notes forming part of special purpose standalone financial statements

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

## Note

No.

**13 Revenue from operations**

Particulars for the year	31-Mar-2020	31-Mar-2019
Sale of food & beverages	3,45,98,063	1,55,93,200
<b>Total</b>	<b>3,45,98,063</b>	<b>1,55,93,200</b>

**14 Employee benefits expenses**

Particulars for the year	31-Mar-2020	31-Mar-2019
Salaries and wages	1,11,52,096	92,61,195
<b>Total</b>	<b>1,11,52,096</b>	<b>92,61,195</b>

**15 Other expenses**

Particulars for the year	31-Mar-2020	31-Mar-2019
Lease rent	1,63,914	4,05,615
Royalty expenses	6,91,997	3,13,949
Management fees	-	39,37,863
Foreign exchange loss	47,97,436	-
Other expenses	59,70,062	91,95,593
<b>Total</b>	<b>1,16,23,409</b>	<b>1,38,53,020</b>

**16 Finance costs**

Particulars for the year	31-Mar-2020	31-Mar-2019
Interest on loan from related parties	38,36,910	25,43,222
Interest on lease liabilities	29,73,472	48,52,675
<b>Total</b>	<b>68,10,382</b>	<b>73,95,897</b>

**17 Depreciation expense**

Particulars for the year	31-Mar-2020	31-Mar-2019
Depreciation on property, plant and equipments	88,76,257	47,62,002
Amortisation of RoU	61,93,385	81,30,307
<b>Total</b>	<b>1,50,69,642</b>	<b>1,28,92,309</b>

**18 Contingent liability and capital commitment**

Particulars for the year	31-Mar-2020	31-Mar-2019
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.

**19 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-2020	31-Mar-2019
<b>Expenses</b>				
Management fees	-	-	-	39,37,863
Royalty expenses	6,91,997	-	6,91,997	3,13,949
Interest on loan from related parties	38,36,910	-	38,36,910	25,43,222

**C Balances with related parties**

Loan from shareholder (non-current)	7,97,56,450	-	7,97,56,450	6,36,83,100
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**BARBEQUE NATION (MALAYSIA) SDN. BHD.**

(Registration No.: 201701035151 (1249322 - U))

(Incorporated in Malaysia)

**Financial Statements  
for the year ended  
31 March 2020**

GP & CO (AF002071)  
Chartered Accountants



Registration No.: 201701035151 (1249322-U)

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

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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Registration No.: 201701035151 (1249322-U)

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

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2020**

The directors hereby submit their report together with the audited financial statements of the Company for the year ended 31 March 2020.

**PRINCIPAL ACTIVITIES**

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

**RESULTS**

	<b>RM</b>
Loss for the year	<u>(1,272,127)</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 year. 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.



## **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	
Mansoor Mohmed Ismail Memon	
Raof Abdul Razak Dhanani	
Huang Swee Lin	
Birju Raika	(Appointed on 1.4.2020)
Marlina Binti Budin	(Resigned on 1.4.2020)

## **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 year, 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 year have interest in shares of the Company during the year ended 31 March 2020.

## **DIRECTORS' REMUNERATION**

None of the directors or past directors of the Company have received any remuneration 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 has been taken in relation to the writing-off of bad debts and the making of provision for doubtful debts, and 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.

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

- (a) if necessary to write off any bad debts or to make provision 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 the United Arab Emirates.

#### **AUDITORS' REMUNERATION**

Details of auditors' remuneration are set out in **Note 14** to the financial statements.



Registration No.: 201701035151 (1249322-U)

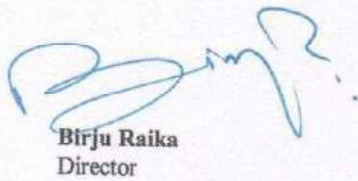
**AUDITORS**

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 Memon**  
Director



**Birju Raika**  
Director

Petaling Jaya  
14 October 2020



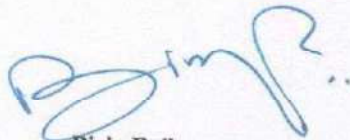
Registration No.: 201701035151 (1249322-U)

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

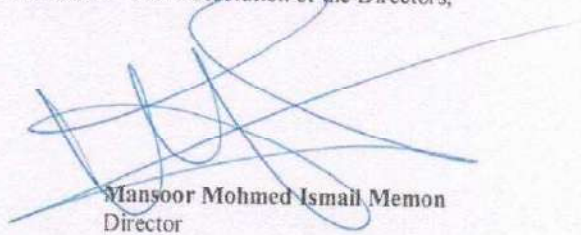
**STATEMENT BY DIRECTORS**  
Pursuant to Section 251 (2) of the Companies Act 2016

The directors of **BARBEQUE NATION (MALAYSIA) SDN. BHD.** state that, in their opinion, the accompanying financial statements of the Company 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 Company as at **31 March 2020** and financial performance of the Company for the year ended **31 March 2020**.

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



**Birju Raika**  
Director



**Mansoor Mohmed Ismail Memon**  
Director

Petaling Jaya  
14 October 2020

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

I, **Birju Raika**, 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 Statutory Declarations Act 1960.

Subscribed and solemnly declared by  
the above-named at Petaling Jaya in the State of  
Selangor this 14 October 2020



**Birju Raika**



No 513, Block A3, Pusat Dagang Setia Jaya  
No. 9, Jalan PJS 8/9, 46150 Petaling Jaya  
Selangor Darul Ehsan



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BARBEQUE NATION (MALAYSIA) SDN. BHD. (Registration No.: 201701035151 (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 2020**, 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 2020**, and of its financial performance and its 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 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** to the financial statements, which indicates that the Company incurred a net loss of RM1,272,127 during the year ended **31 March 2020** and, as of that date, the Company's current liabilities exceeded its current assets by RM5,033,523 and there exists a capital deficiency of RM2,659,754. 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. (Registration No.: 201701035151 (1249322-U))  
(Incorporated in Malaysia)**

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

**Information Other than the Financial Statements and Auditors' Report Thereon**

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the 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 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 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. (Registration No.: 201701035151 (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. (Registration No.: 201701035151 (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  
14 October 2020



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



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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2020**

	Note	2020 RM	2019 RM
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	2,235,266	2,717,158
Right of use asset	8	1,332,621	1,562,234
		<u>3,567,887</u>	<u>4,279,392</u>
<b>CURRENT ASSETS</b>			
Inventories	4	56,756	62,910
Trade receivables	5	3,390	20,734
Other receivables, deposits and prepayments	6	200,563	231,863
Cash and bank balances		63,603	125,537
		<u>324,312</u>	<u>441,044</u>
<b>TOTAL ASSETS</b>		<u>3,892,199</u>	<u>4,720,436</u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Share capital	7	1,000,000	1,000,000
Accumulated losses		(3,659,754)	(2,387,627)
<b>CAPITAL DEFICIENCY</b>		<u>(2,659,754)</u>	<u>(1,387,627)</u>
<b>NON-CURRENT LIABILITY</b>			
Lease liability	8	1,194,118	1,479,546
<b>CURRENT LIABILITIES</b>			
Trade payables	9	103,120	118,007
Other payables and accruals	10	254,361	283,255
Amount due to a related company	11	451,599	301,731
Amount due to holding company	12	4,087,755	3,445,524
Lease liability	8	461,000	480,000
		<u>5,357,835</u>	<u>4,628,517</u>
<b>TOTAL LIABILITIES</b>		<u>6,551,953</u>	<u>6,108,063</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>3,892,199</u>	<u>4,720,436</u>

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





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

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 RM	2019 RM
REVENUE	13	2,031,595	909,569
Cost of sales		<u>(721,891)</u>	<u>(639,665)</u>
Gross profit		1,309,704	269,904
Other operating income		9,058	-
Operating expenses		<u>(2,190,984)</u>	<u>(2,120,119)</u>
Loss from operations		(872,222)	(1,850,215)
Finance costs		<u>(399,905)</u>	<u>(431,411)</u>
Loss before tax	14	(1,272,127)	(2,281,626)
Income tax expense	15	<u>-</u>	<u>-</u>
Loss for the year		(1,272,127)	(2,281,626)
Other comprehensive income, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(1,272,127)</u>	<u>(2,281,626)</u>



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



Registration No.: 201701035151 (1249322-U)

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

	Share capital RM	Accumulated losses RM	Total RM
As at 1 April 2018	1,000,000	(106,001)	893,999
Loss for the year	<u>-</u>	<u>(2,281,626)</u>	<u>(2,281,626)</u>
As at 31 March 2019	1,000,000	(2,387,627)	(1,387,627)
Loss for the year	<u>-</u>	<u>(1,272,127)</u>	<u>(1,272,127)</u>
As at 31 March 2020	<u>1,000,000</u>	<u>(3,659,754)</u>	<u>(2,659,754)</u>



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



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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 RM	2019 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(1,272,127)	(2,281,626)
Adjustments for:			
Depreciation of property, plant and equipment		521,213	277,773
Interest expenses		399,905	431,411
Depreciation on right of use assets		363,675	474,250
Operating profit/(loss) before working capital changes		12,666	(1,098,192)
Decrease/(Increase) in inventories		6,154	(62,910)
Decrease in receivables		48,644	1,087,267
Decrease/(Increase) in payables		(2,271)	389,989
Cash from operations		65,193	316,154
Interest paid		(399,905)	(148,349)
Net cash (used in)/from operating activities		(334,712)	167,805
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>			
Purchase of property, plant and equipment	3	(39,321)	(2,994,931)
Net cash used in investing activity		(39,321)	(2,994,931)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Advances from holding company		642,231	3,050,100
Advances from related company		149,868	248,121
Repayment of lease liabilities		(480,000)	(360,000)
Net cash from financing activities		312,099	2,938,221
Net (decrease)/increase in cash and cash equivalents		(61,934)	111,095
Cash and cash equivalents at beginning of the year		125,537	14,442
Cash and cash equivalents at end of the year		63,603	125,537
<b>Cash and cash equivalents comprise:</b>			
Cash and bank balances		63,603	125,537



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



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**1 GENERAL INFORMATION**

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

The registered office is located at 12<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

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 restaurant operations. 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 the 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**

**BASIS OF PREPARATION**

The financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards ('MFRS'), International Financial Reporting Standards and the provisions 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 STANDARDS ISSUED BUT NOT YET EFFECTIVE**

In the opinion of the directors, these MFRSs do not have significant impact on the financial statements in future periods.





## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 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 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%

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.

### 2.3 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and overheads, where applicable, that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

### 2.4 FINANCIAL ASSETS

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.





## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 FINANCIAL ASSETS (CONT'D)

#### i) *Classification Of Financial Assets*

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ('FVTOCI'):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ('FVTPL').

#### ii) *Amortised Cost And Effective Interest Method*

At initial recognition financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the 'investment income' line item.





## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 FINANCIAL ASSETS (CONT'D)

#### iii) *Debt Instruments*

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income ('OCI'), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the period in which it arises.

#### iv) *Equity Instruments*

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.





## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 FINANCIAL ASSETS (CONT'D)

#### v) *Financial Assets At Fair Value Through Profit Or Loss ('FVTPL')*

This category comprises only in-the-money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

#### vi) *Impairment Of Financial Assets*

The Company recognises an allowance for expected credit losses ('ECL') on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, lease receivables, amounts due from customers under construction contracts, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables, amounts due from customers under construction contracts and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.





## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 FINANCIAL ASSETS (CONT'D)

#### vii) *Derecognition Of Financial Assets*

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

### 2.5 LEASES

#### *As A Lessor*

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies MFRS 15 to allocate the consideration in the contract.

Leases of the right-of-use ("ROU") is classified as lease liability to conform with the applicable accounting standards for lease adopted by the Malaysian Accounting Standard Board (MASB).

The Company measures the lease liabilities based on the present value of future lease payments calculated using the incremental borrowing rate and exchange rate at date of transition. Lease payments would be split into principal and interest payments, using the effective interest method.

The Company recognises, the right-of-use ("ROU") assets based on the present value of the liability at the commencement date of the lease, adding any directly attributable costs. The ROU asset will be depreciated on a straight-line basis over the shorter of the lease term and the useful life of the leased asset.





## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.6 FINANCIAL LIABILITIES

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### i) *Financial Liabilities At FVTPL*

This category comprises only out-of-the-money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income. The Company does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Company does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

#### ii) *Other Financial Liabilities*

The Company's other financial liabilities include trade payables, other payables, and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Gain and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

#### iii) *Derecognition Of Financial Liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.





## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.7 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.

### 2.8 REVENUE

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.

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 2019 RM	Additions RM	Disposals RM	As at 31 March 2020 RM
<b>Cost</b>				
Computers and software	60,514	-	-	60,514
Furniture and fittings	386,863	1,461	-	388,324
Kitchen equipment	609,322	598	-	609,920
Renovation	1,870,430	37,262	-	1,907,692
Security system	16,960	-	-	16,960
Signboard	50,842	-	-	50,842
	<u>2,994,931</u>	<u>39,321</u>	<u>-</u>	<u>3,034,252</u>

	As at 1 April 2019 RM	Charges for the year RM	Disposals RM	As at 31 March 2020 RM
<b>Accumulated Depreciation</b>				
Computers and software	12,804	21,609	-	34,413
Furniture and fittings	39,679	74,446	-	114,125
Kitchen equipment	39,233	78,536	-	117,769
Renovation	178,976	335,886	-	514,862
Security system	3,562	5,652	-	9,214
Signboard	3,519	5,084	-	8,603
	<u>277,773</u>	<u>521,213</u>	<u>-</u>	<u>798,986</u>

	2020 RM	2019 RM
<b>Carrying Amounts</b>		
Computers and software	26,101	47,710
Furniture and fittings	274,199	347,184
Kitchen equipment	492,151	570,089
Renovation	1,392,830	1,691,454
Security system	7,746	13,398
Signboard	42,239	47,323
	<u>2,235,266</u>	<u>2,717,158</u>





**4 INVENTORIES**

	2020 RM	2019 RM
At cost:		
Food and beverages	49,441	60,268
Other inventories	<u>7,315</u>	<u>2,642</u>
	<u>56,756</u>	<u>62,910</u>

**5 TRADE RECEIVABLES**

	2020 RM	2019 RM
Lesser than 30 days	<u>3,390</u>	<u>20,734</u>

**6 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	2020 RM	2019 RM
Other receivables	52,552	52,552
Deposits	130,140	170,069
Prepayments	<u>17,871</u>	<u>9,242</u>
	<u>200,563</u>	<u>231,863</u>

**7 SHARE CAPITAL**

	Number of shares		2020 RM	2019 RM
	2020 Units	2019 Units		
<b>Issued and fully paid ordinary shares</b>				
At beginning and end of the year	<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.





**8 LEASE LIABILITY**

The Company has leased retail lots. The lease has a term of 6 years.

Set out are the carrying amounts of ROU assets recognized and the movements during the year:

	<b>2020</b>
	<b>RM</b>
As at 1 April 2019	1,562,234
Adjustment	134,062
Depreciation expense	<u>(363,675)</u>
As at 31 March 2020	<u>1,332,621</u>

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

	<b>2020</b>
	<b>RM</b>
As at 1 April 2019	1,960,516
Additions	174,602
Payment	<u>(480,000)</u>
	<u>1,655,118</u>
Current	461,000
Non – Current	<u>1,194,118</u>
	<u>1,655,118</u>

**9 TRADE PAYABLES**

The normal trade credit terms granted to the Company ranges from 30 to 90 days.

**10 OTHER PAYABLES AND ACCRUALS**

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
Other payables	104,204	82,442
Accruals	<u>150,157</u>	<u>200,813</u>
	<u>254,361</u>	<u>283,255</u>

**11 AMOUNT DUE TO A RELATED COMPANY**

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





**12 AMOUNT DUE TO HOLDING COMPANY**

This amount is unsecured, partly interest-free and repayable on demand. Part of the loan carries interest at 9.39% (2019: 9.39%) per annum.

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

**13 REVENUE**

Revenue represents the invoiced value of sales less discounts.

**14 LOSS BEFORE TAX**

**14.1 DISCLOSURE ITEMS**

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
This is stated after charging:		
Audit fee	12,000	7,700
Depreciation of property, plant and equipment	521,213	277,773
Depreciation of right of use asset	363,675	474,250
Interest on loan from holding company	225,303	148,349
Interest on right of use asset	174,602	283,062
Loss on foreign exchange (realised)	290,763	-
Rental of premises		
- Current year	25,940	23,660
- Over provision in previous year	<u>(16,315)</u>	<u>-</u>

**14.2 STAFF COSTS**

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
EPF, EIS and SOCSO contributions	21,794	38,774
Salaries, wages and allowances	<u>633,056</u>	<u>540,216</u>
	<u><u>654,850</u></u>	<u><u>578,990</u></u>

**15 INCOME TAX EXPENSE**

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





**16 GOING CONCERN**

The Company incurred a net loss of RM1,272,127 during the year ended 31 March 2020 and, as of that date the Company's current liabilities exceeded its current assets by RM5,033,523 and total liabilities exceeded total assets by RM2,659,754. 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 AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS**

The financial statements of the Company were authorised for issue by the Board of Directors on 14 October 2020.

