

Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the third quarter of financial year ending 31 December 2011

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year to Date	Preceding Year to Date
	30/09/2011 RM'000	30/09/2010 RM'000	30/09/2011 RM'000	30/09/2010 RM'000
Revenue	72,967	N/A	201,665	N/A
Cost of sales and direct expenses	(49,193)	N/A	(137,221)	N/A
Gross Profit	23,774	N/A	64,444	N/A
Other operating income	1,825	N/A	4,800	N/A
Investment revenue	366	N/A	457	N/A
Other gains and (losses)	563	N/A	5,969	N/A
Selling and distribution expenses	(7,374)	N/A	(21,576)	N/A
Administrative and general expenses	(6,145)	N/A	(15,030)	N/A
Profit From Operations	13,009	N/A	39,064	N/A
Finance costs	(448)	N/A	(1,240)	N/A
Share of profit/(loss) of associated companies	(84)	N/A	(620)	N/A
Profit Before Tax	12,477	N/A	37,204	N/A
Income tax expense	(3,611)	N/A	(8,677)	N/A
Profit For The Period	8,866	N/A	28,527	N/A
Translation of foreign operations	(3)	N/A	37	N/A
Total Comprehensive Income For The Period	8,863	N/A	28,564	N/A
Profit For The Period attributable to :				
Equity holders of the Company	8,861	N/A	28,506	N/A
Non-controlling interests	5	N/A	21	N/A
	8,866	N/A	28,527	N/A

Condensed Consolidated Statement of Comprehensive Income (Unaudited) (continued)
For the third quarter of financial year ending 31 December 2011

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year to Date	Preceding Year to Date
	30/09/2011 RM'000	30/09/2010 RM'000	30/09/2011 RM'000	30/09/2010 RM'000
Total Comprehensive Income For The Period attributable to :				
Equity holders of the Company	8,858	N/A	28,543	N/A
Non-controlling interests	5	N/A	21	N/A
	8,863	N/A	28,564	N/A
Earnings per share (EPS) Attributable to equity holders of the Company (sen):				
Basic EPS (sen)	4.44	N/A	14.29	N/A
Diluted EPS (sen)	4.44	N/A	14.29	N/A

NOTES :
a. N/A denotes not applicable.
b. No comparative figures are presented as this is the second quarterly report being announced after the Company listed on the Main Market of Bursa Malaysia Securities Berhad on 13 July 2011.
c. The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Proforma Consolidated Statements of Comprehensive Income and the Accountants' Report for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Group dated 22 June 2011 and the accompanying notes attached to this interim financial report.

Condensed Consolidated Statement of Financial Position (Unaudited)

As at 30 September 2011

	Unaudited As At 30/09/2011 RM'000	Audited As At 31/12/2010 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	59,092	-
Prepaid lease payments	14,019	-
Investment properties	1,800	-
Investment in associated companies	1,541	129
Other investments	10,140	-
Deferred tax assets	1,136	-
Intangible assets	49,104	-
Total Non-Current Assets	136,832	129
CURRENT ASSETS		
Inventories	16,532	-
Trade and other receivables and other assets	38,085	978
Amount owing by associated companies	2,373	180
Current tax assets	1,037	6
Fixed deposits, cash and bank balances	86,039	121
Total Current Assets	144,066	1,285
TOTAL ASSETS	280,898	1,414
EQUITY		
Share capital	330,000	*Note 1* -
Share premium	12,311	-
Retained earnings	93,986	(1,410)
Reserve arising from restructuring	(222,654)	-
Reserve arising from foreign exchange	18	(9)
	213,661	(1,419)
Non-controlling interests	218	-
	213,879	(1,419)

Condensed Consolidated Statement of Financial Position (Unaudited) (continued)
As at 30 September 2011

	Unaudited As At 30/09/2011 RM'000	Audited As At 31/12/2010 RM'000
NON-CURRENT LIABILITIES		
Hire-purchase payables	2,018	-
Borrowings	17,303	-
Deferred income	2,598	-
Deferred capital grant	53	-
Deferred tax liabilities	2,499	-
Total Non-Current Liabilities	24,471	-
CURRENT LIABILITIES		
Trade and other payables and other liabilities	33,265	2,833
Amount owing to ultimate holding company	21	-
Amount owing to directors	4	-
Hire-purchase payables	838	-
Borrowings	2,552	-
Deferred income	1,292	-
Deferred capital grant	24	-
Current tax liabilities	4,552	-
Total Current Liabilities	42,548	2,833
TOTAL LIABILITIES	67,019	2,833
TOTAL EQUITY AND LIABILITIES	280,898	1,414
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.65	(709,500)

a. The audited figures as at 31 December 2010 refer to Oldtown Berhad's Group figures prior to the Acquisitions and Public Issue.
b. The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Proforma Consolidated Statement of Financial Position and the Accountants' Report for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Group dated 22 June 2011 and the accompanying notes attached to this interim financial report.
c. Note I : Share capital of RM2.00.

Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the third quarter of financial year ending 31 December 2011

	Attributable to Equity Holders of the Company						Non-controlling Interests	Total Equity
	Non-distributable				Distributable	Total		
	Share Capital	Share Premium	Reserve arising from Restructuring	Reserve arising from Foreign Exchange	Retained Earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Period Ended 30 September 2011								
At 01/01/2011	(Note I) -	-	-	(20)	65,480	65,460	-	65,460
<u>Arising from the restructuring exercise :</u>								
Acquisition of subsidiaries (Note II)	39,354	-	-	-	-	39,354	197	39,551
Acquisition of subsidiaries (Note III)	227,252	-	(222,654)	-	-	4,598	-	4,598
Public issue of shares	63,394	15,848	-	-	-	79,242	-	79,242
Shares issued expenses	-	(3,537)	-	-	-	(3,537)	-	(3,537)
Exchange difference arising from foreign subsidiary company	-	-	-	38	-	38	-	38
Total comprehensive income for the period	-	-	-	-	28,506	28,506	21	28,527
At 30/09/2011	330,000	12,311	(222,654)	18	93,986	213,661	218	213,879

NOTES :

- The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Proforma Consolidated Statements of Financial Information and the Accountants' Report for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Group dated 22 June 2011 and the accompanying notes attached to this interim financial report.
- Note I : opening share capital of RM2.00.
- Note II : Subsidiary companies as disclosed in Note A2(i) are consolidated under the acquisition method.
- Note III : Subsidiary companies as disclosed in Note A2(ii) are consolidated under common control combination

Condensed Consolidated Statement of Cash Flow (Unaudited)
For the third quarter of financial year ending 31 December 2011

	9 months period ended 30/09/2011 RM'000	9 months period ended 30/09/2010 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit for the period	28,527	N/A
Adjustments	13,576	N/A
Operating profit before changes in working capital	42,103	N/A
(Increase) / Decrease in working capital	(12,915)	N/A
Cash generated from operations	29,188	N/A
Income tax paid	(7,859)	N/A
NET CASH GENERATED FROM OPERATING ACTIVITIES	21,329	N/A
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES	(37,025)	N/A
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES	80,429	N/A
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	64,733	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	17,003	N/A
Effect of exchange difference	29	N/A
CASH AND CASH EQUIVALENTS AT END OF PERIOD	81,765	N/A
Cash and cash equivalents comprise the following :		
Fixed deposits with licensed banks	54,505	N/A
Cash on hand and at banks	31,534	N/A
Bank overdrafts	(434)	N/A
	85,605	N/A
Less : Fixed deposits on lien	(3,840)	N/A
Cash and cash equivalents	81,765	N/A

NOTES :
a. N/A denotes not applicable.
b. No comparative figures are presented as this is the second quarterly report being announced after the Company listed on the Main Market of Bursa Malaysia Securities Berhad on 13 July 2011.
c. The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Proforma Consolidated Statement of Cash Flow and the Accountants' Report for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Group dated 22 June 2011 and the accompanying notes attached to this interim financial report.

Quarterly financial report (unaudited)

For the third financial quarter of financial year ending 31 December 2011

PART A - Explanatory Notes Pursuant To Financial Reporting Standard (“FRS”) 134, Interim Financial Reporting

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134 : Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This is the second interim financial report on the consolidated results for the third quarter ended 30 September 2011 announced by the Company in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding year’s corresponding quarter and period.

The interim financial report should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants’ Report for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 22 June 2011 and the accompanying notes attached to this interim financial report.

A2. Significant Accounting Policies

The significant accounting policies adopted by the Group are consistent with those of the audited financial statements for the year ended 31 December 2010. The Group adopted all new and revised Financial Reporting Standards (“FRSs”) and Issues Committee Interpretation (“IC Interpretations”) that are relevant to the operations for financial periods beginning on or after 1 July 2010. The adoption of the new and revised FRSs and IC Interpretations have not resulted in material changes to the Group’s accounting policies. A summary for FRSs and IC Interpretations effective for the financial year ending 31 December 2011 is as follows:

MASB FRS/ IC Int./TR		Effective date (annual periods beginning on or after)
FRS 1	First-time Adoption of Financial Reporting Standards (revised in 2010)	1 July 2010
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards – Limited Exemption from Comparative FRS 7 disclosures for First-time Adopters	1 January 2011
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards – Additional Exemptions for First-time Adopters	1 January 2011
Amendment to FRS 1 (Note 2)	First-time Adoption of Financial Reporting Standards -Accounting policy changes in the year of adoption -Revaluation basis as deemed cost -Use of deemed cost for operations subject to rate regulation	1 January 2011

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PART A - Explanatory Notes Pursuant To Financial Reporting Standard (“FRS”) 134, Interim Financial Reporting

A2. Significant Accounting Policies (continued)

MASB FRS/ IC Int./TR		Effective date (annual periods beginning on or after)
Amendment to FRS 2 (Note 1)	Share-based Payment – Scope of FRS 2 and revised FRS 3	1 July 2010
Amendment to FRS 2	Share-based Payment – Group Cash-settled Share- based Payment Transactions	1 January 2011
FRS 3	Business Combinations (revised in 2010)	1 July 2010
Amendment to FRS 3 (Note 2)	Business Combinations (revised in 2010) -Measurement of non-controlling interests -Un-replaced and voluntarily replaced share-based payment awards	1 January 2011
Amendment to FRS 5 (Note 1)	Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary	1 July 2010
Amendment to FRS 7	Financial Instruments : Disclosures – Improving Disclosures about Financial Instruments	1 January 2011
Amendment to FRS 7 (Note 2)	Financial Instruments : Disclosures -Clarification of disclosures -Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised FRS (consequential amendments arising from Improvements to FRSs (2010) – FRS3)	1 January 2011
Amendment to FRS 101 (revised 2009) (Note 2)	Presentation of Financial Statements -Clarification of statement of changes in equity	1 January 2011
Amendment to FRS 121 (Note 2)	The Effect of Changes in Foreign Exchange Rates – Transition requirements arising as a result of FRS 127 (revised in 2010)	1 January 2011
FRS 127	Consolidated and Separate Financial Statements (revised in 2010)	1 July 2010
Amendment to FRS 128 (Note 2)	Investments in Associates – Transition requirements arising as a result of FRS 127 (revised in 2010)	1 January 2011
Amendment to FRS 131 (Note 2)	Interests in Joint Ventures – Transition requirements arising as a result of FRS 127 (revised in 2010)	1 January 2011

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A2. Significant Accounting Policies (continued)

MASB FRS/ IC Int./TR		Effective date (annual periods beginning on or after)
Amendment to FRS 132	Financial Instruments : Presentation – Classification of Rights Issues	1 March 2010
Amendment to FRS 132 (Note 2)	Financial Instruments : Presentation – Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised FRS (consequential amendments arising from Improvements to FRSs (2010)-FRS 3)	1 January 2011
Amendment to FRS 134 (Note 2)	Interim Financial Reporting – Significant events and transactions	1 January 2011
Amendment to FRS 138 (Note 1)	Intangible Assets – Additional consequential amendments arising from FRS 3 (revised in 2010)	1 July 2010
Amendment to FRS 139	Financial Instruments : Recognition and Measurement – Consequential amendments arising from FRS 3 (revised in 2010) and FRS 127 (revised in 2010)	1 July 2010
Amendment to FRS 139 (Note 2)	Financial Instruments : Recognition and Measurement – Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised FRS (consequential amendments arising from Improvements to FRSs (2010)-FRS 3)	1 January 2011
IC Int. 4	Determining Whether an Arrangement Contains a Lease	1 January 2011
Amendment to IC Int. 9 (Note 1)	Reassessment of Embedded Derivatives – Scope of IC Int. 9 and FRS 3 (revised in 2010)	1 July 2010
IC Int. 12	Service Concession Arrangements	1 July 2010
Amendment to IC Int. 13 (Note 2)	Customer Loyalty Programmes – Fair value of award credits	1 January 2011
Amendment to IC Int. 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement	1 July 2011
IC Int. 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Int. 17	Distributions of Non-cash Assets to Owners	1 July 2010

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PART A - Explanatory Notes Pursuant To Financial Reporting Standard (“FRS”) 134, Interim Financial Reporting

A2. Significant Accounting Policies (continued)

MASB FRS/ IC Int./TR		Effective date (annual periods beginning on or after)
IC Int. 18	Transfers of Assets from Customers	1 January 2011 (Note 3)
IC Int. 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
TR 3	Guidance on Disclosures of Transition to IFRSs	31 December 2010
TR i-4	Shariah Compliant Sale Contracts	1 January 2011
Note 1	Amendments arising from Improvements to FRSs issued in January 2010 which incorporated both of IASB’s annual improvements issued in May 2008 and April 2009	
Note 2	Amendments arising from Improvements to FRSs issued in November 2010 which incorporated IASB’s annual improvements issued in May 2010	
Note 3	Applies prospectively to transfer of assets received on or after the date specified	

Basis of Consolidation

(i) Business combination

Financial statements of subsidiary companies are consolidated using the acquisition method of accounting. Under the acquisition method, the results of the subsidiary companies acquired are included in the consolidated profit or loss from the effective date of acquisition. On acquisition, the assets and liabilities of the relevant subsidiary companies are measured at their fair values at the date of acquisition.

In this Interim Financial Reporting, the results of the following subsidiary companies are consolidated from the effective date of acquisition on 16 May 2011 up to the quarterly reporting date ended on 30 September 2011.

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PART A - Explanatory Notes Pursuant To Financial Reporting Standard (“FRS”) 134, Interim Financial Reporting

A2. Significant Accounting Policies (continued)

The subsidiary companies are:

- (1) Emperor's Kitchen Sdn Bhd
- (2) Esquire Chef Sdn Bhd
- (3) Old Town Kopitiam Butterworth Sdn Bhd
- (4) Old Town Kopitiam Kuala Lumpur Sdn Bhd
- (5) Old Town Kopitiam Cheras Sdn Bhd
- (6) Dynasty Confectionery Sdn Bhd
- (7) Dynasty Kitchen Sdn Bhd
- (8) Connezone Sdn Bhd.

(ii) Business combinations involving common control entities

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties, both before and after the business combination, and that control is not transitory.

The consolidated financial statements incorporate the financial statements items of the combining entities in which the common control combination occurs as if they had been combined from the date when the combining entities first came under the control of the controlling parties.

In this Interim Financial Reporting, the results of the following subsidiary companies are consolidated throughout the entire financial period from 1 January 2011 to 30 September 2011.

The subsidiary companies are:

- (1) White Cafe Sdn Bhd
- (2) Gongga Food Sdn Bhd
- (3) White Cafe Marketing Sdn Bhd
- (4) Kopitiam Asia Pacific Sdn Bhd
- (5) Oldtown Singapore Pte Ltd
- (6) Old Town Kopitiam Sdn Bhd.

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PART A - Explanatory Notes Pursuant To Financial Reporting Standard (“FRS”) 134, Interim Financial Reporting**A3. Comments about Seasonal or Cyclical Factors**

Generally there is no seasonality for our chain of café outlets as well as our instant coffee mix and tea manufacturing operations. The Group’s business operations and performance are not subject to seasonal or cyclical factors for the current quarter under review.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equities, net income or cash flows that are unusual because of their nature, size or incidence during the quarter under review.

A5. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current quarter.

A6. Debt and Equity Securities

Save as disclosed below, there were no issuances, cancellations, repurchases and repayments of debt and equity securities for the current quarter.

Date of Allotment	Number of shares Allotted	Par Value (RM)	Consideration	Cumulative Issued and Paid-up Share Capital (RM)
30.11.2007	2	1.00	Cash	2
16.05.2011	266,605,998	1.00	Acquisitions	266,606,000
04.07.2011	63,394,000	1.00	Public Issue	330,000,000

On 22 June 2011, the Company issued a Prospectus for the public issue of 63,394,000 new Shares (“Public Issue”) and offer for sales of 33,000,000 shares (“Offer for Sale”) at an issue and offer price of RM1.25 per Share (“IPO Price”) payable in full on application pursuant to its listing on the Main Market of Bursa Malaysia Securities Berhad.

(i) Public Issue

The Public Issue of 63,394,000 new Shares at the IPO Price is payable in full on application upon such terms and conditions as set out in the Prospectus dated 22 June 2011 and will be allocated in the following manner:-

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PART A - Explanatory Notes Pursuant To Financial Reporting Standard (“FRS”) 134, Interim Financial Reporting

A6. Debt and Equity Securities (continued)

(a) Malaysian Public

10,000,000 Public Issue Shares, representing approximately 3.0% of the enlarged issued and paid-up share capital of the Company, to be allotted by way of balloting, will be made available for application by Malaysian citizens, companies, co-operatives, societies and institutions whereby 50% of these 10,000,000 Public Issue Shares will be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.

(b) Eligible Directors, Employees and Business Associates of our Group

5,000,000 Public Issue Shares representing approximately 1.5% of the enlarged issued and paid-up share capital of our Company will be made available for application by eligible Directors, employees and business associates of the Group.

(c) Identified Investors

48,394,000 Shares, representing approximately 14.7% of the enlarged issued and paid up share capital of the Company will be issued via private placement to identified investors. Out of these 48,394,000 shares, 36,250,000 shares (representing approximately 11.0% of the enlarged issued and paid up share capital of the Company), will be reserved for Bumiputera investors approved by MITI.

(ii) Offer For Sale

The Offer for Sale of 33,000,000 Shares by Old Town International Sdn Bhd (being the Selling Shareholder), representing 10.0% of the enlarged issued and paid-up share capital of the Company, will be offered at the Offer Price, payable in full upon application, via private placement to identified investors.

The issued and paid up share capital of the Company was subsequently increased from 266,606,000 shares to 330,000,000 shares pursuant to the Public Issue which was completed on 13 July 2011.

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PART A - Explanatory Notes Pursuant To Financial Reporting Standard (“FRS”) 134, Interim Financial Reporting

A7. Dividend Paid

No dividend has been paid in the financial period under review.

A8. Segment Information

The Group’s operations can be segmented by business activities namely :

- (a) Operation of a chain of cafes;
- (b) Manufacturing of coffee and other beverages and
- (c) Others (investment holding and provision of management services)

The segment information is as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year to Date	Preceding Year to Date
	30/09/2011 RM'000	30/09/2010 RM'000	30/09/2011 RM'000	30/09/2010 RM'000
Revenue				
- Operation of Café Chain	45,831	N/A	122,748	N/A
- Manufacturing of Beverages	27,136	N/A	78,844	N/A
- Others	-	N/A	73	N/A
	72,967	N/A	201,665	N/A
Profit Before Tax				
- Operation of Café Chain	6,718	N/A	23,949	N/A
- Manufacturing of Beverages	6,388	N/A	14,302	N/A
- Others	(629)	N/A	(1,047)	N/A
	12,477	N/A	37,204	N/A

NOTES :

a. N/A denotes not applicable.

b. No comparative figures are presented as this is the second quarterly report being announced after the Company listed on the Main Market of Bursa Malaysia Securities Berhad on 13 July 2011.

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A9. Valuation of Property, Plant and Equipment

The Group did not carry out any revaluation on its property, plant and equipment during the current quarter.

A10. Material Events Subsequent to the End of the Interim Period

Save as disclosed below and in Section B8 on the Status of Corporate Proposals, there were no material events subsequent to the end of the current quarter that have not been reflected in the financial statements for the current quarter.

On 3 October 2011, the Group through its wholly owned subsidiary, Old Town (M) Sdn Bhd, had disposed 123,936 shares of Rp8,938 each, representing 16% of the issued and paid up capital of PT Oldtown Indonesia for cash consideration of RM450,000.00. As a result of the disposal, PTOTI ceased as an associated company of Oldtown Berhad.

On 10 November 2011, Oldtown Berhad had incorporated a wholly-owned subsidiary, Oldtown APP Sdn Bhd. The issued and paid-up share capital of the Company is RM2.00 comprising 2 ordinary shares of RM1.00 each. The principal activities of Oldtown APP Sdn Bhd will be the application for, purchase, sale, transfer, assignment or letting of any intellectual property rights in relation to the manufacturing and processing of food and beverages products and operation of cafe business of the Group in Malaysia or in any part of the world.

A11. Changes in the Composition of the Group

In conjunction with the listing and quotation for the entire enlarged issued and paid-up share capital of 330,000,000 ordinary shares of RM1.00 each on the Main Market of Bursa Malaysia Securities Berhad, the Company had acquired the issued and paid-up share capital of the following companies on 16 May 2011:

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PART A - Explanatory Notes Pursuant To Financial Reporting Standard (“FRS”) 134, Interim Financial Reporting

A11. Changes in the Composition of the Group (continued)

	Name of the companies acquired	equity interest acquired	Purchase consideration	Satisfied by way of:	
		%		Shares	Cash
			RM'000	RM'000	RM'000
1	Emperor's Kitchen Sdn Bhd	100	16,353	8,176	8,177
2	Esquire Chef Sdn Bhd	100	10,759	5,380	5,379
3	Old Town Kopitiam Butterworth Sdn Bhd	100	14,964	5,985	8,979
4	Old Town Kopitiam Kuala Lumpur Sdn Bhd	100	2,136	1,495	641
5	Dynasty Confectionery Sdn Bhd	100	4,179	2,507	1,672
6	Old Town Kopitiam Cheras Sdn Bhd	100	11,911	11,911	-
7	Conneczone Sdn Bhd	80	3,900	3,900	-
8	White Cafe Sdn Bhd	100	62,264	62,264	-
9	Gongga Food Sdn Bhd	100	69,825	69,825	-
10	White Cafe Marketing Sdn Bhd	100	21,156	21,156	-
11	Kopitiam Asia Pacific Sdn Bhd	100	66,230	66,230	-
12	Oldtown Singapore Pte Ltd	100	6,676	6,676	-
13	OTK Eatery Sdn Bhd	40	1,101	1,101	-
Total			291,454	266,606	24,848

The impact arising from the changes in the composition of the entity is as follows:

	As disclosed in the Condensed Consolidated Statement of Comprehensive Income	As if the acquisition date for all business combinations that took effect during the reporting period had been at the beginning of the year
	current year to date	current year to date
	30/09/2011 RM'000	30/09/2011 RM'000
Revenue	201,665	215,946
Gross profit	64,444	70,276
Profit before tax	37,204	41,693
Profit for the period	28,527	31,730
Profit attributable to :		
Equity holders of the Company	28,506	31,682
Non-controlling interests	21	48
	28,527	31,730
Earnings per share (EPS) Attributable to equity holders of the Company (sen):		
Basic EPS (sen)	14.29	15.89

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A12. Changes in Contingent Liabilities or Contingent Assets

Save as set out below, there were no changes in contingent liabilities and contingent assets since the end of the last annual reporting period.

A subsidiary company entered into non-cancellable operating lease rental agreements with a third party on behalf of its franchisees. The lease rentals are borne by the respective franchisees and run for a period of three years. The directors are of the opinion that provisions are not required in respect of this matter, as it is not probable that there will be an outflow of resources embodying economic benefits.

	As At 30 September 2011 RM'000
Less than one year	1,693
Between one to five years	749
Total	2,442

A13. Related Party Transactions

The related party transactions entered into by the Group are recurrent transactions of revenue or trading in nature (“RRPTs”). Bursa Malaysia Securities Berhad has granted an extension of time from 13 July 2011 (date of listing) to the next Annual General Meeting or Extraordinary General Meeting, whichever is held earlier, to obtain shareholders’ ratification and shareholders’ mandate for RRPTs entered/to be entered into by the Company and its subsidiaries.

A14. Capital Commitments

The capital commitments for property, plant and equipment not provided for as at 30 September 2011 were as follows:

	As at 30 September 2011 RM'000
Approved and contracted for	8,000
Approved but not contracted for	100
Total capital commitments	8,100

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PART B - Explanatory Notes Pursuant To The Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Performance

The Group registered revenue of RM201.7 million and profit before tax of RM37.2 million for the financial year to date. The Group's revenue and profit before tax were mainly derived from café chain operation which recorded RM122.7 million and RM23.9 million respectively. The Group's manufacturing of beverages division reported revenue of RM78.8 million and profit before tax of RM14.3 million for the financial year to date. There was a gain on disposal of investment in associated companies of RM5.1 million (non-recurring item) recorded by one of the subsidiary companies.

B2. Variation of Results against Preceding Quarter

	Current Quarter	Preceding Quarter
	30/09/2011 RM'000	30/06/2011 RM'000
Revenue		
- Operation of Café Chain	45,831	39,565
- Manufacturing of Beverages	27,136	26,971
- Others	-	73
	72,967	66,609
Profit Before Tax		
- Operation of Café Chain	6,718	10,244
- Manufacturing of Beverages	6,388	5,223
- Others	(629)	(373)
	12,477	15,094

The Group's current quarter profit before tax of RM12.5 million is lower than the preceding quarter of RM15.1 million. This is mainly due to the gain on disposal of investment in associated companies of RM5.1 million registered in the preceding quarter.

As explained in note A2 above, the results of the acquired subsidiaries are consolidated from the effective date of acquisition on 16 May 2011 up to 30 June 2011 in the preceding quarter. Notwithstanding the consolidation of 3 months' results in the current quarter, the revenue generated from the café chain operation decreased for the current quarter mainly due to the fasting month.

The Group's manufacturing of beverages division achieved higher profit before tax in the current quarter as compared to the preceding quarter due to the increase of products' selling price.

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B3. Commentary on Prospects

As disclosed in the Prospectus dated 22 June 2011, the future plans of the Group are focused in three key areas namely:

- (i) Expansion of café outlets in the local market, Singapore and Indonesia;
- (ii) Venture into new and existing export markets for beverages and
- (iii) Construction of new manufacturing and food processing plant.

In line with the above, the Group's chain of café outlets has reached 194 outlets as at the date of this report as compared to 182 outlets as at 18 May 2011 (being the latest practicable date prior to the publication of the Prospectus).

The piling work for the new plant was completed in October 2011 and the construction of the first phase of the project is expected to commence in December 2011. Upon completion of the project, the production capacity for beverages will increase to cater for expected demand from the export market.

The outlook for both the café chain operation and manufacturing of beverages segments are expected to be satisfactory as the Group is opening more café outlets and actively securing new overseas markets respectively.

Barring any unforeseen circumstances, the Board of Directors envisages that the Group will be able to achieve continuing growth and profitability.

B4. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in any public document.

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year to Date	Preceding Year to Date
	30/09/2011 RM'000	30/09/2010 RM'000	30/09/2011 RM'000	30/09/2010 RM'000
Income tax	3,314	N/A	8,888	N/A
Deferred tax	297	N/A	(211)	N/A
Total tax expense	3,611	N/A	8,677	N/A

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PART B - Explanatory Notes Pursuant To The Listing Requirements of Bursa Malaysia Securities Berhad

B5. Taxation (continued)

The Group's effective tax rate of 23.3% was lower than the statutory corporate tax rate of 25% mainly due to:

- (a) Certain expenses eligible for double deduction tax incentives and
- (b) The gain on disposal of investment in associated companies by one of the subsidiary companies which is not subjected to tax.

B6. Profit / (Loss) on Sale of Unquoted Investment and / or Properties

One of the subsidiary companies disposed of its shares in associated companies in the current financial year to date which resulted in a gain of RM5,070,287 in conjunction with the listing scheme as disclosed in note A6 above.

Save as disclosed above, there was no other sale of unquoted investments and / or properties in the current quarter and financial year to date.

B7. Purchase or Disposal of Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter.

B8. (A) Status of Corporate Proposals

In conjunction with, and as an integral part of the listing and quotation for the entire issued and paid-up share capital on the Main Market of Bursa Malaysia Securities Berhad, the Group has carried out the following:

- (i) Acquisitions**
The details of the acquisitions of companies are disclosed in note A11 of the interim financial report. The acquisitions were completed on 16 May 2011.
- (ii) Initial Public Offering ("IPO")**
The details of IPO exercise are disclosed in A6 of the interim financial report.
- (iii) Listing of Shares**
The entire enlarged issued and paid-up capital of the Company was successfully listed on the Main Market of Bursa Malaysia Securities Berhad on 13 July 2011.

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B8. (B) Status of Utilization of Proceeds

The Public Issue Shares of 63,394,000 new shares in conjunction with the listing on the Main Market of Bursa Malaysia Securities Berhad raised total gross proceeds of RM79.243 million.

The status of utilization of the proceeds as at the date of this quarterly announcement is as follows:

	Purpose	Proposed Utilization (RM'000)	Actual Utilization (RM'000)	Intended Timeframe for Utilization	Deviation (RM'000)
(i)	Acquisitions of Companies	19,718	19,718	within 3 months	-
(ii)	Repayment of bank borrowings	5,897	5,416	within 6 months	481
(iii)	Capital Expenditure	38,083	3,790	within 24 months	N/A
(iv)	Working capital	10,545	-	within 24 months	N/A
(v)	Estimated listing expenses	5,000	5,000	immediate	-
		79,243	33,924		

Notes:

- (a) The gross proceeds arising from the Offer For Sales was accrued entirely to the Offeror and no part of the proceeds was received by the Company.
- (b) IPO proceeds will be utilized within the estimated timeframe. The Group does not expect any material deviation as at the date of this report.
- (c) The total listing expenses was RM5.2 million. The excess has been funded by internal generated funds.

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B9. Borrowings and Debt Securities

Details of the Group's borrowings as at 30 September 2011 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
- Bank overdrafts	434	-	434
- Term Loan	2,003	115	2,118
- Hire-purchase payables	838	-	838
	3,275	115	3,390
Non-current			
- Term Loan	17,232	71	17,303
- Hire-purchase payables	2,018	-	2,018
	19,250	71	19,321
	22,525	186	22,711

The Group does not have foreign currency borrowings.

B10. Off Balance Sheet Financial Instruments

There are no off balance sheet financial instruments as at the date of this report.

B11. Changes in Material Litigation

Save as disclosed below, the Group is presently not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the Group and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

Kuala Lumpur High Court Originating Summons No. D-24NCC(ARB)-15-2010

On 22 December 2010, Kopitiam Asia Pacific had commenced a legal proceeding to seek an injunction against Poly Vision F&B Enterprise and Ked Chin Siong (the franchisee of OLDTOWN WHITE COFFEE café outlet) (the "Franchisee") to prevent the Franchisee from using its "The Oldtown White Coffee" trade name and its "OLDTOWN WHITE COFFEE" trade mark for their restaurant business.

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B11. Changes in Material Litigation (continued)

On 28 February 2011, the said injunction has been granted by the Kuala Lumpur High Court to Kopitiam Asia Pacific. The solicitors, representing Kopitiam Asia Pacific, have extracted the order in relation to the said injunction and served the same to the Franchisee.

On 4 April 2011, the Arbitration Award was secured against the Franchisee. The sealed copy of the Arbitration Award was extracted on 21 October 2011 and served the same to the Franchisee on 16 November 2011.

B12. Dividend

On 26 August 2011, the Board of Directors had approved and declared an interim dividend of 2.5 sen per share under the single tier system for the financial year ending 31 December 2011.

The interim dividend was paid on 18 October 2011 to shareholders whose names appear on the Record of Depositors of the Company at the close of business on 21 September 2011.

B13. Earnings per Share

The basic and diluted EPS are calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year to Date	Preceding Year to Date
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
<u>Earnings Per Share ("EPS")</u>				
Net profit attributable to equity holders of the Company (RM'000)	8,861	N/A	28,506	N/A
Weighted average number of ordinary shares in issue ('000)	199,435	N/A	199,435	N/A
Basic EPS (sen)	4.44	N/A	14.29	N/A
Diluted EPS (sen)	4.44	N/A	14.29	N/A

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PART B - Explanatory Notes Pursuant To The Listing Requirements of Bursa Malaysia Securities Berhad

B14. Realised and Unrealised Profits/Losses Disclosure

The breakdown of the retained profits of the Group into realized and unrealized profits is as follows:

	As At 30 September 2011 RM'000	As At 31 December 2010 RM'000
Total retained profits of the Company and its subsidiaries :		
- Realised	97,352	N/A
- Unrealised	(1,189)	N/A
	96,163	N/A
Total share of accumulated losses from associated companies:		
- Realised	(600)	N/A
- Unrealised	(53)	N/A
	(653)	N/A
Less : consolidation adjustments	(1,524)	N/A
Group's retained profits as per consolidated financial statements	93,986	N/A
Note : Comparative figures are not required in the first financial year of complying with the Realised and Unrealised Profits/Losses Disclosures.		

B15. Audit Report of Preceding Annual Financial Statements

The preceding year's annual audited financial statements of the Group were not subject to any qualification.

B16. Authorization for Issue

The interim financial report was duly reviewed by Audit Committee and approved by the Board of Directors on 24 November 2011.

By Order of the Board

Ng Yuet Seam
Company Secretary
24 November 2011