

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the first quarter ended 31 March 2012

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31/03/2012 RM'000	Preceding Year Quarter 31/03/2011 RM'000	Current Year to Date 31/03/2012 RM'000	Preceding Year to Date 31/03/2011 RM'000
Revenue		76,872	N/A	76,872	N/A
Cost of sales and direct expenses	A	(51,393)	N/A	(51,393)	N/A
Gross profit		25,479	N/A	25,479	N/A
Investment revenue	B	505	N/A	505	N/A
Other operating income		2,248	N/A	2,248	N/A
Other gains and (losses)	C	(187)	N/A	(187)	N/A
Selling and distribution expenses	A	(6,210)	N/A	(6,210)	N/A
Administrative and general expenses	A	(6,242)	N/A	(6,242)	N/A
Profit from operations		15,593	N/A	15,593	N/A
Finance costs	D	(258)	N/A	(258)	N/A
Share of profits/(losses) in associates		234	N/A	234	N/A
Profit before tax		15,569	N/A	15,569	N/A
Income tax expense		(4,112)	N/A	(4,112)	N/A
Profit For The Period		11,457	N/A	11,457	N/A
Exchange difference on translating foreign subsidiary		*(0)	N/A	*(0)	N/A
Total Comprehensive Income For The Period		11,457	N/A	11,457	N/A
Profit for the period attributable to :					
Owners of the Company		11,432	N/A	11,432	N/A
Non-controlling interests		25	N/A	25	N/A
		11,457	N/A	11,457	N/A
Total Comprehensive Income For The Period attributable to :					
Owners of the Company		11,432	N/A	11,432	N/A
Non-controlling interests		25	N/A	25	N/A
		11,457	N/A	11,457	N/A
Earnings per share (EPS)					
Attributable to owners of the Company (sen):					
Basic EPS (sen)		3.46	N/A	3.46	N/A
Diluted EPS (sen)		3.46	N/A	3.46	N/A

*Amount less than RM1,000.00

Condensed Consolidated Statement of Comprehensive Income (Unaudited) (continued)
For the first quarter ended 31 March 2012

Notes to the Statement of Comprehensive Income

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/2012 RM'000	Preceding Year Quarter 31/03/2011 RM'000	Current Year to Date 31/03/2012 RM'000	Preceding Year to Date 31/03/2011 RM'000
Note A - Depreciation and amortization				
- depreciation of property, plant and equipment	3,538	N/A	3,538	N/A
- amortization of intangible asset	586	N/A	586	N/A
- amortization of prepaid lease payments	46	N/A	46	N/A
Total depreciation and amortization	4,170	N/A	4,170	N/A
Note B - Investment revenue				
- interest income	475	N/A	475	N/A
- rental income from investment property	30	N/A	30	N/A
Total investment revenue	505	N/A	505	N/A
Note C - Other gains and (losses)				
- gain on disposal of property, plant and equipment	47	N/A	47	N/A
- Government grants received	6	N/A	6	N/A
- Change in fair value of investments	98	N/A	98	N/A
- Foreign exchange gain/(loss) - realized and unrealized	(338)	N/A	(338)	N/A
Total other gains and (losses)	(187)	N/A	(187)	N/A
Note D - Finance costs				
- Interest expense	218	N/A	218	N/A
- Other bank charges	40	N/A	40	N/A
Total finance costs	258	N/A	258	N/A
Note - There is no income/expense in relation to provision for and write off of inventories, bad debts written off, impairment of assets, gain or loss on derivatives or exceptional items.				

NOTES :
a. N/A denotes not applicable.
b. No comparative figures are presented as the Company was listed on the Main Market of Bursa Malaysia Securities Berhad on 13 July 2011.

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying notes attached to this interim financial report.)

Condensed Consolidated Statement of Financial Position (Unaudited)
As at 31 March 2012

	Unaudited As At 31/03/2012 RM'000	Audited As At 31/12/2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	52,118	52,805
Prepaid lease payments	13,942	13,988
Investment properties	1,860	1,860
Investment in associates	1,443	1,209
Other investments	994	766
Goodwill on consolidation	25,671	25,671
Intangible assets	21,480	22,066
Deferred tax assets	1,245	1,194
Total non-current Assets	118,753	119,559
Current assets		
Inventories	15,666	16,416
Trade and other receivables	42,934	44,408
Amount owing by associates	1,693	1,399
Other investments	12,303	10,206
Current tax assets	537	550
Fixed deposits, cash and bank balances	90,903	85,627
Total current assets	164,036	158,606
TOTAL ASSETS	282,789	278,165
EQUITY		
Capital and reserves		
Issued capital	330,000	330,000
Reserves	(210,336)	(210,335)
Retained earnings	108,839	97,407
Equity attributable to owners of the Company	228,503	217,072
Non-controlling interests	261	235
Net equity	228,764	217,307

Condensed Consolidated Statement of Financial Position (Unaudited) (continued)
As at 31 March 2012

	Unaudited As At 31/03/2012 RM'000	Audited As At 31/12/2011 RM'000
Non-current liabilities		
Hire-purchase payables	1,617	1,830
Borrowings	10,914	11,484
Deferred income	2,540	2,773
Deferred capital grant	41	47
Deferred tax liabilities	1,984	2,261
Total non-current liabilities	17,096	18,395
Current liabilities		
Trade and other payables	27,205	34,601
Amount owing to ultimate holding company	84	51
Amount owing to a director of a subsidiary	4	4
Hire-purchase payables	852	861
Borrowings	1,500	1,537
Deferred income	1,431	1,299
Deferred capital grant	24	24
Current tax liabilities	5,829	4,086
Total current liabilities	36,929	42,463
TOTAL LIABILITIES	54,025	60,858
TOTAL EQUITY AND LIABILITIES	282,789	278,165
Net assets per share attributable to owners of the Company (RM)	0.69	0.66

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying notes attached to this interim financial report.)

Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the first quarter ended 31 March 2012

	Non-distributable Reserves				Distributable Reserve	Attributable to Owners of the Company	Non-controlling Interests	Net Equity
	Issued Capital	Share Premium	Reserve Arising From Restructuring	Foreign Currency Translation Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2012	330,000	12,311	(222,653)	7	97,407	217,072	235	217,307
Other comprehensive income for the period				Note *		Note *		-
Profit for the period					11,432	11,432	25	11,457
Total comprehensive income for the period	-	-	-	Note *	11,432	11,432	25	11,457
Balance as at 31 March 2012	330,000	12,311	(222,653)	6	108,839	228,503	260	228,764

NOTES :
a. *denotes amount less than RM1,000.00
b. No comparative figures are presented as the Company was listed on the Main Market of Bursa Malaysia Securities Berhad on 13 July 2011.

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying notes attached to this interim financial report.)

Condensed Consolidated Statement of Cash Flow (Unaudited)
For the first quarter ended 31 March 2012

	3 months period ended 31/03/2012 RM'000	3 months period ended 31/03/2011 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit for the period	11,457	N/A
Adjustments for :		
Depreciation of property, plant and equipment	3,538	N/A
Income tax expense recognised in profit or loss	4,112	N/A
Finance costs	258	N/A
Amortisation of intangible asset	586	N/A
Property, plant and equipment written off	74	N/A
Share of (profits)/losses in associates	(234)	N/A
Amortisation of prepaid lease payments	46	N/A
Gain on disposal of property, plant and equipment	(47)	N/A
Investment revenue recognised in profit and loss	(505)	N/A
Gain on revaluation of other investments	(98)	N/A
Unrealised (gain)/loss on foreign exchange	80	N/A
Deferred capital grant income	(6)	N/A
Operating profit before changes in working capital	19,261	N/A
(Increase)/decrease in inventories	750	N/A
(Increase)/decrease in receivables	1,485	N/A
(Increase)/decrease in amount owing by associates	(295)	N/A
Increase/(decrease) in payables	(8,357)	N/A
Increase/(decrease) in deferred income	(62)	N/A
Cash Generated From Operations	12,782	N/A
Income tax refund	186	N/A
Income tax paid	(2,868)	N/A
NET CASH FROM OPERATING ACTIVITIES	10,100	N/A
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	420	N/A
Interest income received	472	N/A
Rental income received	30	N/A
Purchase of other investments	(2,228)	N/A
Purchase of property, plant and equipment	(2,465)	N/A
NET CASH USED IN INVESTING ACTIVITIES	(3,771)	N/A

Condensed Consolidated Statement of Cash Flow (Unaudited) (continued)
For the first quarter ended 31 March 2012

	3 months period ended 31/03/2012 RM'000	3 months period ended 31/03/2011 RM'000
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Repayment from ultimate holding company	33	N/A
Repayment of term loans	(607)	N/A
Finance costs paid	(258)	N/A
Repayment of hire-purchase payables	(222)	N/A
NET CASH FROM FINANCING ACTIVITIES	(1,054)	N/A
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,275	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	83,198	N/A
Currency translation differences	(2)	N/A
CASH AND CASH EQUIVALENTS AT END OF PERIOD	88,471	N/A
Cash and cash equivalents comprise the following :		
Fixed deposits	3,723	N/A
Short-term investment fund	76,008	N/A
Cash and bank balances	11,172	N/A
	90,903	N/A
Less : Fixed deposits on lien	(2,432)	N/A
CASH AND CASH EQUIVALENTS AT END OF PERIOD	88,471	N/A

NOTES :
a. N/A denotes not applicable.
b. No comparative figures are presented as the Company was listed on the Main Market of Bursa Malaysia Securities Berhad on 13 July 2011.

(The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying notes attached to this interim financial report.)

Quarterly financial report (unaudited)

For the first quarter ended 31 March 2012

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

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134 : Interim Financial Reporting issued by the Malaysian Accounting Standard Board (“MASB”) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Company was listed on the Main Market of Bursa Malaysia Securities Berhad on 13 July 2011. As such, there are no comparative figures for the preceding year’s corresponding quarter ended 31 March 2011.

The interim financial report should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying notes attached to this interim financial report.

A2. Significant Accounting Policies

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2011.

The Group has adopted the Malaysian Financial Reporting Standards (“MFRS”) framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converge with Malaysia’s existing Financial Reporting Standards (“FRS”) framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board. There has been no material impact upon the adoption of the MFRS on the financial statements of the Group.

The Group has also adopted all the new and revised MFRSs and Issues Committee Interpretations (“IC Interpretations”) that are relevant and effective for accounting periods beginning on or after 1 January 2012. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statements of the Group.

Quarterly financial report (unaudited)

For the first quarter ended 31 March 2012

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

A2. Significant Accounting Policies (continued)

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.

The acquired subsidiary companies are consolidated from the effective date of acquisition on 16 May 2011 to 31 December 2011 for the financial year ended 31 December 2011.

(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.

The results of the subsidiary companies under common control are consolidated throughout the entire financial period from 1 January 2011 to 31 December 2011 for the financial year ended 31 December 2011.

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.

Quarterly financial report (unaudited)

For the first quarter ended 31 March 2012

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

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

There were no issuances, cancellations, repurchases and repayments of debt and equity securities for the current quarter.

A7. Dividend Paid

There were no dividends paid during the current quarter.

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 by business activities is as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year to Date	Preceding Year to Date
	31/03/2012 RM'000	31/03/2011 RM'000	31/03/2012 RM'000	31/03/2011 RM'000
Revenue				
- Operation of Café Chain	47,732	N/A	47,732	N/A
- Manufacturing of Beverages	29,140	N/A	29,140	N/A
	76,872	N/A	76,872	N/A

Quarterly financial report (unaudited)

For the first quarter ended 31 March 2012

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

A8. Segment Information (continued)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year to Date	Preceding Year to Date
	31/03/2012 RM'000	31/03/2011 RM'000	31/03/2012 RM'000	31/03/2011 RM'000
Profit Before Tax				
- Operation of Café Chain	8,503	N/A	8,503	N/A
- Manufacturing of Beverages	7,441	N/A	7,441	N/A
- Others	(375)	N/A	(375)	N/A
	15,569	N/A	15,569	N/A

Geographical Segment

The Group operates in four principal geographical areas - Malaysia (country of domicile), South East Asia, other Asian countries and others.

The Group’s revenue from continuing operations from external customers by geographical area are detailed below:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year to Date	Preceding Year to Date
	31/03/2012 RM'000	31/03/2011 RM'000	31/03/2012 RM'000	31/03/2011 RM'000
Revenue				
Malaysia	58,701	N/A	58,701	N/A
South East Asia	7,071	N/A	7,071	N/A
Other Asian countries	10,179	N/A	10,179	N/A
Others	921	N/A	921	N/A
	76,872	N/A	76,872	N/A

There is no one customer who contributed more than 10% of the total revenue in each segment during the financial year.

Segment assets and segment liabilities were not disclosed as they were not regularly provided to the chief operating decision maker for their day-to-day operation decision making.

Quarterly financial report (unaudited)

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

A9. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the current quarter.

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter.

A11. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities and contingent assets since the end of the last annual reporting period.

A12. Related Party Transactions

The related party transactions entered into by the Group are recurrent transactions of revenue or trading in nature (“RRPTs”). The Group’s related party transactions in the current quarter ended 31 March 2012 are as follows:

	Sale of food and beverages products	Sale of furniture and utensils	Purchase of food and beverages products	Rental of hostel, office, warehouse, outlet	Royalty fees charged	Advertising and promotion fees charged	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Transactions with Holding Company								
Oldtown International Sdn Bhd	-	-	-	304	-	-	-	304
Transactions with Associates								
OTK Eatery Sdn. Bhd.	-	3	-	-	108	64	56	231
OTK Singapore Pte. Ltd.	814	58	-	-	215	129	24	1,240
Plus One Solution Sdn. Bhd.	-	-	-	-	-	-	172	172
Transactions with a company in which a close family member of a director of the company who is also a substantial shareholder of the company is a director and has substantial financial interest; a company in which a director of the Company is a shareholder.								
AC Montage Marketing Sdn. Bhd.	-	-	-	12	-	-	-	12

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

A12. Related Party Transactions (continued)

	Sale of food and beverages products	Sale of furniture and utensils	Purchase of food and beverages products	Rental of hostel, office, warehouse, outlet	Royalty fees charged	Advertising and promotion fees charged	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Transactions with companies in which a close family member of a director of the Company is a director and has substantial financial interest.								
GC Alamanda Sdn. Bhd.	198	-	-	-	30	18	-	246
GC Bangsar Two Sdn. Bhd.	144	-	-	-	26	16	-	186
GC Brickfields Sdn. Bhd.	165	-	-	-	25	15	-	205
GC Selayang Sdn. Bhd.	125	-	-	-	20	12	-	157
GC Shamelin Sdn. Bhd.	107	9	-	-	19	11	-	146
Gourmet Chef Sdn. Bhd.	92	-	-	-	15	9	-	116
Gourmet Corner KL Sdn. Bhd.	183	-	-	63	31	18	-	295
Natural Marketing Sdn. Bhd.	-	-	58	-	-	-	-	58
OTK (Genting) Sdn. Bhd.	1,432	17	-	-	284	170	-	1,903
Transactions with companies in which a director of the Company is deemed to have substantial financial interest.								
Acadian Gourmet Sdn. Bhd.	92	-	-	-	13	8	-	113
Acadian Gourmet KK Sdn. Bhd.	125	-	-	-	18	11	-	154
Acadian Gourmet PB Sdn. Bhd.	173	-	-	-	23	14	-	210

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

A12. Related Party Transactions (continued)

	Sale of food and beverages products	Sale of furniture and utensils	Purchase of food and beverages products	Rental of hostel, office, warehouse, outlet	Royalty fees charged	Advertising and promotion fees charged	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Transactions with a company in which a close family member of a director of the Company is a director and has substantial financial interest; a company in which a director of the Company is deemed to have substantial financial interest.								
Gourmet Corner Ipoh Sdn. Bhd.	243	11	-	-	37	22	-	313
Transactions with companies in which a close family member of a director of the Company has substantial financial interest.								
Mayson Trade (M) Sdn. Bhd.	-	-	-	-	-	-	61	61
OTK Logistics Sdn. Bhd	563	14	717	-	-	-	-	1,294
Transactions with companies in which a director of the Company is a director and has substantial financial interest.								
OTK Northern Sdn. Bhd.	172	-	-	-	23	14	-	209
Transactions with companies in which a close family member of a director of the Company is a director and deemed to have substantial financial interest.								
GC Bangsar Sdn. Bhd.	146	-	-	-	26	15	-	187
GC Kapar Sdn. Bhd.	77	-	-	-	11	7	-	95
GC South City Sdn. Bhd.	102	-	-	-	16	9	-	127
OTK (Alam Damai) Sdn. Bhd.	60	-	-	-	11	6	-	77
OTK (Intan) Sdn. Bhd.	145	-	-	-	25	15	-	185
OTK (Kuala Selangor) Sdn. Bhd.	86	-	-	-	15	9	-	110
OTK (Rawang) Sdn. Bhd.	130	-	-	-	22	13	-	165
OTK (Shah Alam) Sdn. Bhd.	128	7	-	-	18	11	-	164
OTK Manjung Sdn. Bhd.	137	-	-	-	22	13	-	172
OTK Sarawak Sdn. Bhd.	-	-	-	-	32	19	32	83

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PART A - Explanatory Notes Pursuant To Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting

A12. Related Party Transactions (continued)

	Sale of food and beverages products	Sale of furniture and utensils	Purchase of food and beverages products	Rental of hostel, office, warehouse, outlet	Royalty fees charged	Advertising and promotion fees charged	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Transactions with a company in which a close family member of a director of the Company is a director and has direct and indirect substantial financial interest; a company in which a director of the Company is deemed to have substantial financial interest and a close family member of a director of the Company has substantial financial interest.								
Gourmet Corner Sdn. Bhd.	242	9	-	-	36	22	-	309
Transactions with a company in which a director of the Company and close family members are directors and have substantial financial interests.								
Noble Virtue Sdn. Bhd.	-	-	-	13	-	-	-	13
Transactions with companies in which close family members of a director of the Company are directors and have substantial financial interests.								
GC Bangi Sdn. Bhd.	151	12	-	-	21	13	-	197
OTK Ipoh Road Sdn. Bhd.	83	-	-	-	12	7	-	102
OTK Megah Sdn. Bhd.	68	-	-	-	10	6	-	84
OTK USJ Sdn. Bhd.	130	-	-	-	23	14	-	167
OTK Sunway Sdn. Bhd.	117	-	-	-	18	11	-	146
OTK (Petaling Jaya) Sdn. Bhd.	289	11	-	-	31	19	-	350

The above transactions have been entered into with related parties on terms and conditions that are not more favorable to the related parties than those generally available to the public.

A13. Capital Commitments

The capital commitments for property, plant and equipment not provided for as at 31 March 2012 were as follows:

	As at 31 March 2012 RM'000
Approved and contracted for	43,572
Approved but not contracted for	-
Total capital commitments	43,572

Quarterly financial report (unaudited)

For the first quarter ended 31 March 2012

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

B1. Review of Performance

The Group's revenue and profit before tax for the first quarter ended 31 March 2012 was RM76.9 million and RM15.6 million respectively. The Company was listed on the Main Market of Bursa Malaysia Securities Berhad on 13 July 2011. As such, there are no comparative figures for the preceding year's corresponding quarter ended 31 March 2011.

The Group's café chain operation recorded revenue of RM47.7 million and profit before tax of RM8.5 million and the manufacturing of beverages division reported revenue of RM29.1 million and profit before tax of RM7.4 million for the current quarter.

B2. Variation of Results against Preceding Quarter

	Current Quarter	Preceding Quarter
	31/03/2012 RM'000	31/12/2011 RM'000
Revenue		
- Operation of Café Chain	47,732	50,980
- Manufacturing of Beverages	29,140	29,425
	76,872	80,405
Profit Before Tax		
- Operation of Café Chain	8,503	8,863
- Manufacturing of Beverages	7,441	5,730
- Others	(375)	136
	15,569	14,729

The Group's revenue of RM76.9 million for the current quarter was lower than the revenue of RM80.4 million in the preceding quarter mainly due to less new franchised outlets opened in the current quarter that resulted in less sales of furniture and utensils.

The profit before tax (PBT) for the current quarter of RM15.6 million was higher than the profit before tax of RM14.7 million in the preceding quarter mainly due to lower advertising and promotional costs and lower amortization of intangible asset compared to the preceding quarter.

Quarterly financial report (unaudited)

For the first quarter ended 31 March 2012

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

B3. Commentary on Prospects

(i) Café Chain Operation Development Plans

As at 31 March 2012, the Group had a total of 201 café outlets, of which 186 are located in Malaysia, 8 in Singapore, 5 in Indonesia and 2 in China.

The Group plans to open more outlets in the domestic front. For the international market, the Group is well-positioned to open more outlets in Singapore, Indonesia and China. In Singapore, we are revamping its stores with a more innovative design concept. The Group plans to open more outlets in Indonesia this year. For the China market, there is a huge growth potential for Oldtown's café chain business in view of its large population base and growing spending power, therefore, the Group has an ambitious vision of opening more outlets in strategic locations in China.

(ii) Manufacturing of Beverages Development Plans

The Group is constructing a new factory in Ipoh which is expected to be completed by the end of the third quarter this year. Upon completion, the production capacity for beverages will increase to cater for expected increased demand from the export market.

The Group aims to increase its market share in the existing export markets where the Group already has market presence such as Hong Kong, Taiwan, China and Singapore. The Group foresees that there is much more room to grow for its beverages products in China in view of the country's enormous market and other overseas market such as Thailand. Therefore, the Group is seeking more potential distributors in different countries to improve its market shares and sales.

The Group shall continue to invest in advertising, promotional and marketing activities to promote and strengthen the "OLDTOWN" brand name to further enhance its brand equity and customer loyalty. Riding on its strong brand name and the integrated business strategies, the outlook for both the café chain operation and manufacturing of beverages segments are expected to be good.

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

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
	31/03/2012 RM'000	31/03/2011 RM'000	31/03/2012 RM'000	31/03/2011 RM'000
Income tax	4,439	N/A	4,439	N/A
Deferred tax	(327)	N/A	(327)	N/A
Total tax expense	4,112	N/A	4,112	N/A

The Group's effective tax rate of 27% was higher than the statutory corporate tax rate of 25% mainly due to certain expenses which were not deductible for tax purposes.

B6. (A) Status of Corporate Proposals

On 26 April 2012, the Company proposed to seek the approval of its shareholders to authorize the Company to purchase up to ten per cent (10%) of the issued and paid-up share capital of the Company ("Proposed Share Buy-Back Mandate").

Based on the issued and paid-up share capital of the Company RM330,000,000 comprising 330,000,000 ordinary shares, a maximum of 33,000,000 ordinary shares of the Company may be repurchased by the Company pursuant to the Proposed Share Buy-Back Mandate. The Proposed Share Buy-Back Mandate is subject to the shareholders' approval at the Company's forthcoming Annual General Meeting.

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

B6. (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 on 13 July 2011 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	(d) 481
(iii)	Capital Expenditure	38,083	10,476	within 24 months	N/A
(iv)	Working capital	10,545	10,545	within 24 months	N/A
(v)	Estimated listing expenses	5,000	5,000	immediate	-
		79,243	51,155		

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.
- (d) The unutilized amount of RM481,000 as a result of lower settlement amount shall be utilized for working capital purposes.

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

B7. Borrowings and Debt Securities

Details of the Group's borrowings as at 31 March 2012 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
- Term Loan	1,419	81	1,500
- Hire-purchase payables	852	-	852
	2,271	81	2,352
Non-current			
- Term Loan	10,864	50	10,914
- Hire-purchase payables	1,617	-	1,617
	12,481	50	12,531
	14,752	131	14,883

The Group does not have foreign currency borrowings.

B8. Changes in Material Litigation

There were no material litigations as at the date of this report.

B9. Dividend

On 28 February 2012, the Directors proposed a final dividend of 4.0 sen per share under the single tier system on 330,000,000 ordinary shares, amounting to a dividend payable of approximately RM13.2 million in respect of the financial year ended 31 December 2011.

The proposed final dividend is subject to the shareholders' approval at the forthcoming Annual General Meeting.

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

B10. Earnings per Share

The basic and diluted EPS are calculated by dividing the profit for the period attributable to owners 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
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
<u>Earnings Per Share ("EPS")</u>				
Net profit attributable to owners of the Company (RM'000)	11,432	N/A	11,432	N/A
Weighted average number of ordinary shares in issue ('000)	330,000	N/A	330,000	N/A
Basic EPS (sen)	3.46	N/A	3.46	N/A
Diluted EPS (sen)	3.46	N/A	3.46	N/A

B11. Realized and Unrealized Profits/Losses Disclosure

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

	As At 31 March 2012 RM'000	As At 31 December 2011 RM'000
Total retained earnings of the Company and its subsidiary companies		
- Realized	127,722	116,480
- Unrealized	(393)	(597)
Total share of retained earnings from associated companies		
- Realized	(72)	(320)
- Unrealized	54	67
	127,311	115,630
Less : consolidation adjustments	(18,472)	(18,223)
Group's retained profits as per consolidated financial statements	108,839	97,407

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

B12. Audit Report of Preceding Annual Financial Statements

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

B13. Authorization for Issue

The interim financial report was duly reviewed by Audit Committee and approved by the Board of Directors on 25 May 2012.

By Order of the Board

Ng Yuet Seam
Company Secretary
25 May 2012