

Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For three months ended 30 June 2013 (financial year ending 31 March 2014)

	Note	3 months ended 30/6/2013 (Unaudited)	15 months ended 31/3/2013 (Audited)
RM'000			
Revenue		91,239	422,054
Investment revenue	A	382	2,479
Other gains and losses	B	70	1,051
Other operating income		2,496	15,070
Changes in inventories of finished goods, work in progress, trading merchandise, food, beverages and consumables		856	10
Raw materials and consumables used		(23,368)	(108,626)
Purchase of trading merchandise, food, beverages and consumables		(18,316)	(79,756)
Directors' remuneration		(556)	(2,650)
Employee benefits expenses		(13,449)	(60,023)
Depreciation of property, plant and equipment		(3,779)	(17,584)
Finance costs	C	(515)	(1,346)
Amortisation of prepaid lease payments		(46)	(231)
Amortisation of intangible asset		(586)	(2,929)
Other operating expenses		(18,907)	(91,140)
Share of profits/(losses) in associates		151	528
Impairment loss on goodwill		-	(1,960)
Profit before tax		15,672	74,947
Income tax expense		(3,227)	(19,360)
Profit For The Period		12,445	55,587
Changes in fair value of available-for-sale financial assets		(890)	1,029
Exchange difference on translating foreign subsidiaries		644	(20)
Total Comprehensive Income For The Period		12,199	56,596
Profit For The Period attributable to :			
Owners of the Company		12,181	55,527
Non-controlling interests		264	60
		12,445	55,587
Total Comprehensive Income For The Period attributable to :			
Owners of the Company		11,935	56,536
Non-controlling interest		264	60
		12,199	56,596
Earnings per share (EPS) attributable to Owners of the Company (sen) :			
Basic EPS (sen)		3.36	16.45
Diluted EPS (sen)		3.36	16.45

Note:

The financial period ended 31 March 2013 made up of 15 months' results from 1 January 2012 to 31 March 2013. As such, no comparative figures are presented for Statements of Comprehensive Income as there are no comparable interim periods (current and year-to-date) of the immediately preceding financial year. Comparative figures for the same financial year ended / ending 31 March will be available for interim financial reports for the financial year ending 31 March 2015.

Condensed Consolidated Statement of Comprehensive Income (Unaudited) (continued)
For three months ended 30 June 2013 (financial year ending 31 March 2014)
Notes to the Statement of Comprehensive Income

	3 months ended	15 months ended
	30/6/2013	31/3/2013
RM'000	(Unaudited)	(Audited)
Note A - Investment revenue		
- interest income	364	2,389
- rental income from investment property	18	90
Total investment revenue	382	2,479
Note B - Other gains and (losses)		
- Gain on disposal of property, plant and equipment	-	924
- Government grants received	6	30
- Changes in fair value of investment properties	-	180
- Foreign exchange gain/(loss) - realised and unrealised	64	(83)
Total other gains and (losses)	70	1,051
Note C - Finance costs		
- Interest expense	480	1,157
- Other bank charges	35	189
Total finance costs	515	1,346

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial period ended 31 March 2013 and the accompanying notes attached to this interim financial report.)

Condensed Consolidated Statement of Financial Position (Unaudited)
As at 30 June 2013

	Unaudited As At 30/06/2013	Audited As At 31/03/2013 (15 months)
RM'000		
ASSETS		
Non-current assets		
Property, plant and equipment	105,884	102,397
Prepaid lease payments	13,711	13,757
Investment properties	2,040	2,040
Investment in associates	1,857	1,706
Other investments	45,545	46,628
Goodwill on consolidation	40,470	23,712
Intangible assets	18,551	19,137
Deferred tax assets	1,405	1,280
Total non-current Assets	229,463	210,657
Current assets		
Inventories	20,318	14,228
Trade and other receivables	54,799	48,783
Amount owing by associates	1,576	1,349
Other investments	25,887	25,694
Current tax assets	4,409	1,106
Fixed deposits, cash and bank balances	70,802	86,227
Total current assets	177,791	177,387
TOTAL ASSETS	407,254	388,044
EQUITY		
Capital and reserves		
Issued capital	363,000	363,000
Reserves	(178,330)	(178,084)
Retained earnings	132,115	119,934
Equity attributable to owners of the Company	316,785	304,850
Non-controlling interests	6,756	2,192
Net equity	323,541	307,042

Condensed Consolidated Statement of Financial Position (Unaudited)
(continued)
As at 30 June 2013

	Unaudited As At 30/06/2013	Audited As At 31/03/2013 (15 months)
RM'000		
Non-current liabilities		
Hire-purchase payables	683	837
Borrowings	24,834	25,288
Deferred income	1,917	2,061
Deferred capital grant	11	17
Deferred tax liabilities	2,154	2,069
Total non-current liabilities	29,599	30,272
Current liabilities		
Trade and other payables	43,072	40,045
Amount owing to ultimate holding company	122	88
Hire-purchase payables	605	648
Borrowings	7,625	7,768
Deferred income	2,257	1,497
Deferred capital grant	24	24
Current tax liabilities	409	660
Total current liabilities	54,114	50,730
TOTAL LIABILITIES	83,713	81,002
TOTAL EQUITY AND LIABILITIES	407,254	388,044
Net assets per share attributable to owners of the Company (RM)	0.87	0.84

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 31 March 2013 and the accompanying notes attached to this interim financial report.)

Condensed Consolidated Statement of Changes in Equity (Unaudited)
For three months ended 30 June 2013 (financial year ending 31 March 2014)

RM'000	Non-distributable Reserves					Distributable Reserve	Attributable to Owners of the Company	Non-controlling Interests	Net Equity
	Issued Capital	Share Premium	Reserve Arising From Restructuring	Investment Revaluation Reserve	Foreign Currency Translation Reserve	Retained Earnings			
Balance as at 1 April 2013	363,000	43,554	(222,654)	1,029	(13)	119,934	304,850	2,192	307,042
Arising from acquisition of subsidiary	-	-	-	-	-	-	-	4,300	4,300
Other comprehensive income for the period	-	-	-	(890)	644	-	(246)	-	(246)
Profit for the period	-	-	-	-	-	12,181	12,181	264	12,445
Total comprehensive income for the period	-	-	-	(890)	644	12,181	11,935	264	12,199
Balance as at 30 June 2013	363,000	43,554	(222,654)	139	631	132,115	316,785	6,756	323,541
Balance as at 1 January 2012	330,000	12,311	(222,654)	-	7	97,407	217,071	236	217,307
Arising from acquisition of subsidiaries	-	-	-	-	-	-	-	1,952	1,952
Other comprehensive income for the period	-	-	-	1,029	(20)	-	1,009	-	1,009
Profit for the period	-	-	-	-	-	55,527	55,527	60	55,587
Total comprehensive income for the period	-	-	-	1,029	(20)	55,527	56,536	60	56,596
Payment of dividends	-	-	-	-	-	(33,000)	(33,000)	(56)	(33,056)
Issue of shares	33,000	31,243	-	-	-	-	64,243	-	64,243
Balance as at 31 March 2013 (Audited) (15 months)	363,000	43,554	(222,654)	1,029	(13)	119,934	304,850	2,192	307,042

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 31 March 2013 and the accompanying notes attached to this interim financial report.)

Condensed Consolidated Statement of Cash Flow (Unaudited)
For three months ended 30 June 2013 (financial year ending 31 March 2014)

	3 months ended	15 months ended
	30/06/2013	31/03/2013
RM'000	(Unaudited)	(Audited)
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit for the period	12,445	55,587
Adjustments for :		
Income tax expense recognized in profit or loss	3,227	19,360
Depreciation of property, plant and equipment	3,779	17,584
Amortization of intangible asset	586	2,929
Impairment of goodwill	-	1,960
Property, plant and equipment written off	2	1,566
Finance costs	515	1,346
Amortization of prepaid lease payments	46	231
Inventories written down in value	-	216
Inventories written off	-	138
Bad debts written off	-	10
Investment revenue recognized in profit and loss	(382)	(2,479)
Gain on disposal of property, plant and equipment	-	(924)
Share of (profits)/losses in associates	(151)	(528)
Changes in fair value of investment properties	-	(180)
Unrealised gain on foreign exchange	(287)	(103)
Deferred capital grants	(6)	(30)
Dividend income	-	(15)
Operating profit before changes in working capital	19,774	96,668
Movements in working capital		
(Increase)/decrease in inventories	(3,450)	1,836
(Increase)/decrease in receivables	29	(4,142)
(Increase)/decrease in amount owing by associates	(227)	21
Increase/(decrease) in payables	(1,903)	1,313
Increase/(decrease) in deferred income	616	(520)
Increase/(decrease) in amount owing to ultimate holding company	-	29
Cash Generated From Operations	14,839	95,205
Income tax refunded	-	1,043
Income tax paid	(5,868)	(24,662)
NET CASH FROM OPERATING ACTIVITIES	8,971	71,586

Condensed Consolidated Statement of Cash Flow (Unaudited) (continued)
For three months ended 30 June 2013 (financial year ending 31 March 2014)

	3 months ended	15 months ended
	30/06/2013	31/03/2013
RM'000	(Unaudited)	(Audited)
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Interest income received	364	2,389
Proceeds from disposal of property, plant and equipment	122	1,915
Rental income received	18	90
Repayment from/(Advances granted to) associates	-	60
Dividend income received	-	45
Purchase of property, plant and equipment	(6,284)	(63,682)
Purchase of other investments	-	(60,000)
Investment in unquoted shares	-	(321)
Advance payments for acquisition of property, plant and equipment	-	(208)
Withdrawal/(Placement) of fixed deposits	1,827	(130)
Acquisition of subsidiary (net)	(16,336)	-
NET CASH USED IN INVESTING ACTIVITIES	(20,289)	(119,842)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	64,350
Proceeds from term loans	124	17,952
Proceeds from trust receipts	-	4,438
Repayment from ultimate holding company	34	8
Dividends paid to owners of the Company	-	(33,000)
Repayment of term loans	(2,170)	(2,367)
Finance costs paid	(515)	(1,346)
Repayment of hire-purchase payables	(197)	(1,205)
Payment for share issue expenses	-	(108)
Dividends paid to non-controlling interests	-	(56)
Repayment to a director of a subsidiary	-	(4)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES	(2,724)	48,662
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(14,042)	406
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	83,668	83,198
Currency translation differences	-	36
Effect of exchange differences	444	28
CASH AND CASH EQUIVALENTS AT END OF PERIOD	70,070	83,668

Condensed Consolidated Statement of Cash Flow (Unaudited) (continued)
For three months ended 30 June 2013 (financial year ending 31 March 2014)

	3 months ended	15 months ended
	30/06/2013	31/03/2013
RM'000	(Unaudited)	(Audited)
Cash and cash equivalents comprise the following :		
Fixed deposits	732	2,559
Short-term investment fund	48,264	69,294
Cash and bank balances	21,806	14,374
	70,802	86,227
Less : Fixed deposits on lien	(732)	(2,559)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	70,070	83,668

(The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial period ended 31 March 2013 and the accompanying notes attached to this interim financial report.)

Quarterly financial report (unaudited)

For three months ended 30 June 2013 (financial year ending 31 March 2014)

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 Standards Board (“MASB”) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Audited Financial Statements for the financial period ended 31 March 2013 and the accompanying notes attached to this interim financial report.

Change of Financial Year End

The Board of Directors of the Company had on 27 August 2012 approved the change of financial year end of the Company from 31 December to 31 March.

The financial period ended 31 March 2013 made up of 15 months’ results from 1 January 2012 to 31 March 2013. As such, no comparative figures are presented for Statements of Comprehensive Income as there are no comparable interim periods (current and year-to-date) of the immediately preceding financial year. Comparative figures for the same financial year ended / ending 31 March will be available for interim financial reports for the financial year ending 31 March 2015.

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 financial period ended 31 March 2013.

The Group has adopted all the new and revised Malaysian Financial Reporting Standards (“MFRS”) framework issued by MASB and Issues Committee Interpretations (“IC Interpretations”) that are relevant and effective for accounting periods beginning on or after 1 January 2013. 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.

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.

Quarterly financial report (unaudited)

For three months ended 30 June 2013 (financial year ending 31 March 2014)

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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

No dividend was paid during the quarter ended 30 June 2013.

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:

	3 months ended	
	30/06/2013	30/06/2012
RM'000	Unaudited	Unaudited
Revenue		
Operation of Café Chain	51,908	50,626
Manufacturing of Beverages	39,331	34,685
Others	-	-
	91,239	85,311
Profit Before Tax		
Operation of Café Chain	8,845	9,340
Manufacturing of Beverages	7,050	6,664
Others	(223)	388
	15,672	16,392

Quarterly financial report (unaudited)

For three months ended 30 June 2013 (financial year ending 31 March 2014)

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

A8. Segment Information (continued)

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:

	3 months ended	
	30/06/2013	30/06/2012
RM'000	Unaudited	Unaudited
Revenue		
Malaysia	66,329	65,237
South East Asia	9,733	8,096
Other Asian countries	13,078	10,511
Others	2,099	1,467
	91,239	85,311

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

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

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.

**Quarterly financial report (unaudited)
For three months ended 30 June 2013 (financial year ending 31 March 2014)
PART A - Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting**

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 for 3 months ended 30 June 2013 are as follows:

(in RM'000)	Trade sales	Royalty	A&P	Trade Purchases	Rental	Franchise fees	Others	Total
3 months ended 30/06/2013								
Transactions with Holding Company								
Old Town International Sdn Bhd	-	-	-	-	285	-	-	285
Transactions with Associates								
OTK Eatery Sdn. Bhd.	1	98	59	-	-	-	50	207
OTK Singapore Pte. Ltd.	1,082	266	159	-	-	-	-	1,507
Plus One Solution Sdn. Bhd.	-	-	-	139	-	-	-	139
Transactions with a company in which a director of the Company is a director and has substantial financial interest; a company in which a close family member of a director of the Company is a shareholder.								
AC Montage Marketing Sdn. Bhd.	-	-	-	-	13	-	-	13
Transactions with a company in which close family members of a director of the Company are directors and have substantial financial interest; a company in which a close family member of a director of the Company is a director.								
CN Properties Sdn Bhd	-	-	-	-	9	-	(5)	4
Transactions with a company in which a director of the Company and his wife are directors and have substantial financial interests.								
CN Supplies Sdn Bhd	-	-	-	-	5	-	-	5
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

Quarterly financial report (unaudited)

For three months ended 30 June 2013 (financial year ending 31 March 2014)

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

A12. Related Party Transactions (continued)

(in RM'000)	Trade sales	Royalty	A&P	Trade Purchases	Rental	Franchise fees	Others	Total
3 months ended 30/06/2013								
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.	171	24	15	-	-	-	-	210
GC Bangsar Two Sdn. Bhd.	167	27	16	-	-	-	-	210
GC Brickfields Sdn. Bhd.	153	20	12	-	-	-	-	185
GC Selayang Sdn. Bhd.	136	20	12	-	-	-	-	168
GC Shamelin Sdn. Bhd.	127	21	13	-	-	-	(1)	160
Gourmet Chef Sdn. Bhd.	100	15	9	-	-	-	-	124
Gourmet Corner KL Sdn. Bhd.	182	26	16	-	63	-	-	286
Gourmet Chef Kinrara Sdn. Bhd.	162	24	15	-	-	-	-	201
Natural Marketing Sdn. Bhd.	-	-	-	51	-	-	-	51
OTK (Genting) Sdn. Bhd.	1,972	361	216	-	-	-	1	2,550
OTK Kopitiam (KLCC) Sdn Bhd	39	4	2	-	-	-	-	45
Carefree Avenue Sdn Bhd	74	10	6	-	-	-	-	90
Conneczone Puchong Sdn Bhd	27	4	3	-	-	-	-	34
Transactions with companies in which a director of the Company is deemed to have substantial financial interest.								
Acadian Gourmet Sdn. Bhd.	96	10	6	-	-	-	0	113
Acadian Gourmet KK Sdn. Bhd.	146	16	10	-	-	-	0	172
Acadian Gourmet PB Sdn. Bhd.	165	19	12	-	-	-	-	196

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

A12. Related Party Transactions (continued)

(in RM'000)	Trade sales	Royalty	A&P	Trade Purchases	Rental	Franchise fees	Others	Total
3 months ended 30/06/2013								
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 directors of the Company are deemed to have substantial financial interest.								
Gourmet Corner Ipoh Sdn. Bhd.	685	31	18	-	-	10	30	774
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.	184	28	17	-	-	-	-	229
GC Kapar Sdn. Bhd.	128	18	11	-	-	-	-	157
GC South City Sdn. Bhd.	115	16	10	-	-	-	-	141
OTK (Alam Damai) Sdn. Bhd.	79	10	6	-	-	-	-	95
OTK (Intan) Sdn. Bhd.	149	23	14	-	-	-	-	186
OTK (Kuala Selangor) Sdn. Bhd.	95	15	9	-	-	-	-	119
OTK (Rawang) Sdn. Bhd.	181	27	16	-	-	-	-	224
OTK (Shah Alam) Sdn. Bhd.	200	28	17	-	-	-	10	256
OTK Manjung Sdn. Bhd.	111	16	10	-	-	-	-	137
OTK Sarawak Sdn. Bhd.	3	22	13	-	-	-	25	63
OTK (Teluk Cempedak) Sdn. Bhd. (formerly known as OTK (Skyway) Sdn Bhd)	509	7	4	-	-	80	50	650

Quarterly financial report (unaudited)

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

A12. Related Party Transactions (continued)

(in RM'000)	Trade sales	Royalty	A&P	Trade Purchases	Rental	Franchise fees	Others	Total
3 months ended 30/06/2013								
Transactions with a company in which a close family member of a director of the Company has substantial financial interest.								
OTK Logistics Sdn. Bhd	840	-	-	760	-	-	1	1,601
Transactions with a company in which a director of the Company has substantial financial interest.								
Mayson Trade (M) Sdn. Bhd.	-	-	-	53	-	-	-	53
Transactions with companies in which a director of the Company is a director and has substantial financial interest.								
Oldtown Asia Pacific Limited	-	23	-	-	-	-	-	23
OTK Northern Sdn. Bhd.	294	33	20	-	-	-	(1)	346
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 directors of the Company are 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.	207	29	18	-	-	-	1	255
Transactions with a company in which a director of the Company is a director and have substantial financial interest; a company in which close family members of a director of the Company is a director and has substantial financial interests.								
Myth Empire Sdn Bhd (formerly known as Soonsen Enterprise Sdn Bhd)	-	-	-	-	43	-	-	43

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

A12. Related Party Transactions (continued)

(in RM'000)	Trade sales	Royalty	A&P	Trade Purchases	Rental	Franchise fees	Others	Total
3 months ended 30/06/2013								
Transactions with a company in which close family members of a director of the Company are directors or is a substantial shareholder; a company in which a director of the Company is a substantial shareholder.								
GC Bangi Sdn. Bhd.	171	22	13	-	-	-	-	207
Transactions with companies in which close family members of a director of the Company are directors and have substantial financial interests.								
OTK Ipoh Road Sdn. Bhd.	97	13	8	-	-	-	0	118
OTK Megah Sdn. Bhd.	67	8	5	-	-	-	-	80
OTK USJ Sdn. Bhd.	122	18	11	-	-	-	-	151
OTK Sunway Sdn. Bhd.	138	19	11	-	-	-	0	169
OTK (Petaling Jaya) Sdn. Bhd.	234	32	19	-	-	-	0	285
Transactions with a close family member of a director; a director and substantial shareholder of the Company								
Lee Siew Heng	-	-	-	-	5	-	-	5
Lee Siew Meng	-	-	-	-	5	-	-	5
Lim Khim Lan	-	-	-	-	15	-	-	15

Note :	
Trade sales	Sale of food and beverages products & Sale of furniture and utensils
Royalty	Royalty fees charged
A&P	Advertising and promotion fees charged
Trade purchases	Purchase of food and beverages products
Rental	Rental of hostel, office, warehouse, outlet
Franchise fees	Franchise fees received
Others	Training fees, incentives, logistic and handling fees etc.

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

A13. Capital Commitments

The capital commitments for property, plant and equipment not provided for as at 30 June 2013 were as follows:

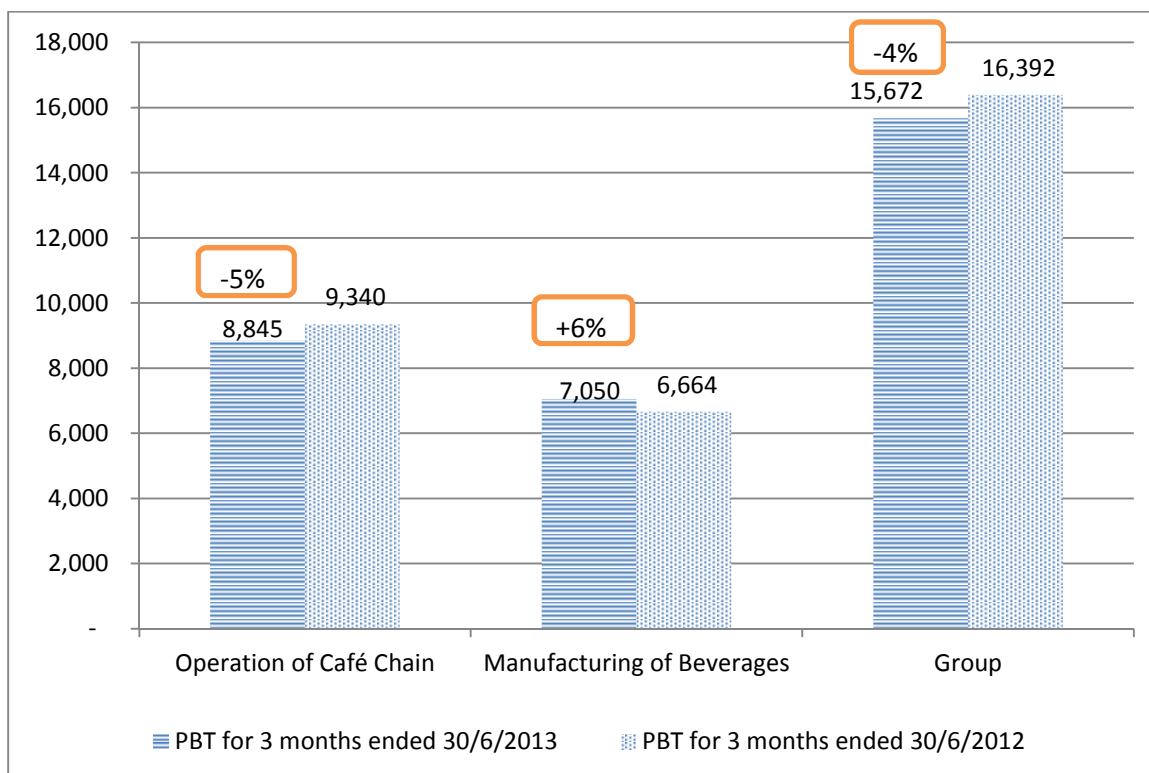
	As at 30 June 2013
	RM'000
Approved and contracted for	2,592
Approved but not contracted for	116
Total capital commitments	2,708

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B1. Review of Performance

	3 months ended	
	30/06/2013	30/06/2012
RM'000	Unaudited	Unaudited
Revenue		
Operation of Café Chain	51,908	50,626
Manufacturing of Beverages	39,331	34,685
Others	-	-
	91,239	85,311
Profit Before Tax		
Operation of Café Chain	8,845	9,340
Manufacturing of Beverages	7,050	6,664
Others	(223)	388
	15,672	16,392

Individual Quarter (30/06/2013 vs. 30/06/2012)



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B1. Review of Performance (continued)

Individual Quarter (31/03/2013 vs. 31/03/2012) (continued)

The Group recorded revenue of RM91.24 million for the quarter ended 30 June 2013, increased by 7% compared to RM85.31 million in the quarter ended 30 June 2012. Both café chain operation and manufacturing of beverages segments contributed to the increase of revenue.

Despite the increase in revenue, the profit before tax (PBT) for the quarter ended 30 June 2013 was RM15.67 million, a decrease of 4% from RM16.39 million in the quarter ended 30 June 2012. The decrease in PBT was mainly due to the increase of operating costs.

Operation of café chain

The Group's café chain operation recorded PBT of RM8.85 million for the quarter ended 30 June 2013 at the back of the segment's revenue of RM51.91 million. This represented 5% drop in PBT as compared to RM9.34 million achieved in the quarter ended 30 June 2012.

The drop in PBT mainly due to (i) higher operating costs attributable to minimum wage ruling for foreign workers and (ii) non-recurring other gains of RM0.49 million registered in the quarter ended 30 June 2012.

Manufacturing of beverages

Manufacturing of beverages segment recorded revenue of RM39.33 million and PBT of RM7.05 million for the 3 month-period ended 30 June 2013. For the quarter ended 30 June 2012, the revenue and PBT were RM34.69 million and RM6.66 million respectively.

The increase in PBT of 6% was attributable to the following reasons:

- (i) Increase in revenue of 13%;
- (ii) profits contribution from the newly acquired foreign subsidiary, which is the sole distributor of OLDTOWN beverage products in Hong Kong;
- (iii) Following the relocation of the existing beverage manufacturing operations to the newly constructed plant, the segment's overhead costs have increased due to higher operating expenses. However, both (i) and (ii) above outweigh the impact arising from the higher operating expenses, therefore, the PBT for the segment shown an increase of 6% as compared to the quarter ended 30 June 2012.

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B2. Variation of Results against Preceding Quarter

	Current Quarter	Preceding Quarter
RM'000	30/06/2013	31/03/2013
Revenue		
Operation of Café Chain	51,908	52,703
Manufacturing of Beverages	39,331	35,707
Others	-	(30)
	91,239	88,380
Profit Before Tax		
Operation of Café Chain	8,845	8,776
Manufacturing of Beverages	7,050	7,337
Others	(223)	(308)
	15,672	15,805

Operation of café chain

The café chain operation recorded revenue of RM51.91 million in the current quarter, slightly lower than the preceding quarter's revenue of RM52.70 million.

Despite the revenue achieved in the current quarter was lower, the PBT of RM8.85 million was higher than the PBT of RM8.78 million in the preceding quarter. Lower PBT in the preceding quarter of RM8.78 million was mainly due to written off of property, plant and equipment in the said quarter.

Manufacturing of beverages

The revenue of RM39.33 million for the current quarter ended 30 June 2013 for the manufacturing of beverages division was 10% higher than RM35.71 million in the preceding quarter.

However, the PBT of RM7.05 million for the current quarter was 4% lower than the RM7.34 million in the preceding quarter.

The lower profit was mainly due to the following reasons:

- (i) The construction of the new factory was completed in the quarter ended 31 March 2013, however, higher depreciation costs was incurred in the current quarter following the capitalization of new machinery when the testing and commissioning was completed in the quarter ended 30 June 2013. Besides the depreciation costs, higher testing and commissioning related expenses was incurred during the production lines testing and installation stage in the current quarter.

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B2. Variation of Results against Preceding Quarter (continued)

- (ii) After the relocation of the existing manufacturing plant to the new factory in the current quarter, higher operating expenses were incurred as compared to the preceding quarter.
- (iii) The impact of both (i) and (ii) above was mitigated by the profit contribution from newly acquired subsidiary in Hong Kong of which the results was consolidated in the current quarter. However, the significant increase in various operating costs outweigh the positive contribution from the earning accretive acquisition and therefore, the PBT recorded in the current quarter was lower than the preceding quarter.

B3. Commentary on Prospects

(i) Café Chain Operation Development Plans

As at 30 June 2013, the Group has a total of 225 café outlets, of which 202 are located in Malaysia, 8 in Singapore, 11 in Indonesia and 4 in China.

The Group plans to open more outlets in the domestic front. Realizing most of the second and third tier cities and townships present vast opportunity for the Group to reach a wider range of customers; we are progressively penetrating into the suburban and rural markets over the next few years.

For the international market, the Group is well-positioned to open more outlets in Singapore, Indonesia and China. The Group is actively exploring penetration opportunities to accelerate its regional outlets expansion.

In Singapore, we have and are still in the process of revamping its stores with a more innovative design concept. In Indonesia, the Group has gradually changed the Indonesian market business model from company operated outlet to the sub-licensing model and plans to open more licensed 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 licensed outlets in strategic locations in China. As part of the Group's long term business plan, we are planning to set up a new food processing centre in Guangdong Province, China to support a larger number of new café outlets. The expansion in China is expected to accelerate at a faster pace once the proposed new food processing centre is ready to commence its commercial production by the end of 2013.

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B3. Commentary on Prospects (continued)

(ii) Manufacturing of Beverages Development Plans

The new beverage manufacturing facility is expected to provide an additional production capacity of approximately 300% compared to the output capacity in year 2012. With this increased production capacity, the Group is able to cope with the rising demand over the next 5 years.

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 is seeking for more potential new distributors and retailers in different countries to improve its regional market shares and export sales.

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 rising affluent amongst the urban population. Besides the coastal cities of China, the Group plans to expand further to the second tier cities of the central region of China.

The other overseas markets with huge market potentials are Taiwan and Thailand. The Group has appointed a new well-established distributor in Taiwan and successfully penetrated into Thailand retail market via the appointment of a well-known international distributor.

The Group is adopting various flexible and adaptive strategies by customising its marketing campaign and product mix when venturing into the international markets, as each consumer market possesses unique characteristics and preferences.

In the domestic market, the Group will continue to maintain its dominant presence by actively participating in various joint marketing programs organized by the local key retailers and engaging consumers through various promotional activities.

Both café chain operation and manufacturing of beverages operation operate under an integrated business model, of which both operations complement each other in terms of raw materials procurement, support services, marketing campaign, promotion, business strategies and advertisement. Its integrated business model enables the Group to mitigate price fluctuations in raw materials while preserving margins. It also allows for further market share growth without much investment in sales, marketing and logistics.

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 in the marketplace. Riding on its strong and influential brand equity and the unique integrated business strategies, the outlook for both the café chain operation and manufacturing of beverages segments are expected to progress optimistically.

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B4. Profit Forecast and Profit Guarantee

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

B5. Taxation

RM'000	3 months ended	
	30/06/2013	30/06/2012
	Unaudited	Unaudited
Income tax	3,267	4,172
Deferred tax	(40)	(116)
Total tax expense	3,227	4,056

The Group's effective tax was 24.36% for three months ended 30 June 2013. It was lower than the statutory tax rate of 25% mainly due to certain capital expenditure which were qualified to claim Reinvestment Allowance.

B6. (A) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the reporting date.

B6. (B) Status of Utilization of Proceeds

On 21 December 2012, on behalf of the Board of Directors, AmInvestment Bank Berhad had announced the completion of the Private Placement following the listing of and quotation for 33,000,000 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad .

The utilization of the gross proceeds of RM64,350,000 raised from the Private Placement as at the date of this quarterly announcement is as follows:

Purpose	Proposed Utilization (RM'000)	Actual Utilization (RM'000)	Intended Timeframe for Utilization	Balance / Deviation (RM'000)	Note
Capital expenditure for business expansion	44,695	33,790	within 24 months	10,905	A
Working capital	19,155	19,155	within 12 months	-	
Estimated expenses	500	504	within 1 month	(4)	B
	64,350	53,449			

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B6. (B) Status of Utilization of Proceeds (continued)

Note:

(A) The amount of RM33.79 million was utilized to acquire 70% equity interest in Advance City Limited, Hong Kong and acquisition of new plant and machinery. The remaining proceeds are intended to be utilized for business expansion purposes in the domestic and international markets, which comprise, but not limited to, opening of new outlets in the domestic and international markets, acquisition of equipment for the new and existing outlets, acquisition of plant and machinery for the new and existing factories, and also investments into a "Central Kitchen Business" to support the development of the licensed shops in China.

(B) The estimated expenses made up of professional fees, fees paid to authorities and other miscellaneous expenses. The total private placement expenses were RM0.504 million, approximately RM0.108 million and RM0.396 million was written off against share premium account and expensed off respectively in the current period. The shortfall of approximately RM4,000 was funded by the Group's internally generated funds.

B7. Borrowings and Debt Securities

Details of the Group's borrowings as at 30 June 2013 are as follows:

Secured Borrowings	RM'000
Current	
- Trust Receipts	4,449
- Term Loan	3,176
- Hire-purchase payables	605
	8,230
Non-current	
- Term Loan	24,834
- Hire-purchase payables	683
	25,517
Total	33,747

The total borrowings denominated in foreign and local currency as at 30 June 2013 as presented below:-

	RM'000
Foreign currency - USD 1,438,337 @ RM3.0935/USD1	4,449
Local currency	29,298
Total	33,747

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B8. Changes in Material Litigation

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

B9. Proposed Dividend

The Board does not recommend any dividend for the current quarter under review.

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.

Earnings Per Share ("EPS")	3 months ended	
	30/06/2013 Unaudited	30/06/2012 Unaudited
Net profit attributable to owners of the Company (RM'000)	12,181	12,323
Weighted average number of ordinary shares in issue ('000)	363,000	330,000
Basic EPS (sen)	3.36	3.73
Diluted EPS (sen)	3.36	3.73

B11. Realized and Unrealized Profits/Losses Disclosure

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

RM'000	As At 30 June 2013 (Unaudited)	As At 31 March 2013 (Audited)
Total retained earnings of the Company and its subsidiary companies		
- Realized	154,366	140,262
- Unrealized	186	852
Total share of retained earnings from associated companies		
- Realized	337	191
- Unrealized	59	54
	154,948	141,359
Less : consolidation adjustments	(22,833)	(21,425)
Group's retained profits as per consolidated financial statements	132,115	119,934

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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 28 August 2013.

By Order of the Board

Ng Yuet Seam
Company Secretary
28 August 2013