



OLDTOWN
WHITE COFFEE

Oldtown Berhad (Company No. 797771-M)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For six months ended 30 September 2016 (financial year ending 31 March 2017)

	Note	3 months ended		6 months ended	
		30/9/2016 (Unaudited)	30/9/2015 (Unaudited)	30/9/2016 (Unaudited)	30/9/2015 (Unaudited)
RM'000					
Revenue		99,546	92,617	202,431	186,676
Investment revenue	A	295	291	583	798
Other gains and losses	B	1,605	3,619	3,116	4,619
Other operating income		551	570	1,343	1,143
Changes in inventories of finished goods, work in progress, trading merchandise, food, beverages and consumables		2,049	(2,058)	5,244	(800)
Raw materials and consumables used		(29,577)	(24,646)	(62,332)	(51,145)
Purchase of trading merchandise, food, beverages and consumables		(11,915)	(9,988)	(23,588)	(22,740)
Directors' remuneration		(492)	(475)	(991)	(935)
Employee benefits expenses		(16,131)	(15,137)	(32,991)	(31,304)
Depreciation of property, plant and equipment		(3,473)	(3,180)	(6,870)	(6,547)
Finance costs	C	(191)	(248)	(388)	(504)
Amortisation of prepaid lease payments		(45)	(45)	(89)	(89)
Amortisation of intangible assets		(882)	(882)	(1,764)	(1,764)
Other operating expenses		(25,089)	(23,831)	(47,639)	(47,210)
Share of profits/(losses) of associates		2	19	(21)	24
Profit before tax		16,253	16,626	36,044	30,222
Tax expense		(3,789)	(3,208)	(9,873)	(7,075)
Profit For The Period		12,464	13,418	26,171	23,147
Changes in fair value of available-for-sale quoted investments		1,097	664	2,064	1,268
Reclassification adjustments relating to available-for-sale quoted investments disposed of during the period		(205)	(2,247)	(839)	(2,727)
Exchange differences on translating foreign subsidiaries		548	3,167	1,230	3,600
Total Comprehensive Income For The Period		13,904	15,002	28,626	25,288
Profit For The Period attributable to :					
Owners of the Company		12,626	13,354	26,508	22,841
Non-controlling interests		(162)	64	(337)	306
		12,464	13,418	26,171	23,147
Total Comprehensive Income For The Period attributable to :					
Owners of the Company		14,084	14,937	28,989	24,917
Non-controlling interest		(180)	65	(363)	371
		13,904	15,002	28,626	25,288
Earnings per share (EPS) attributable to Owners of the Company (sen) :					
Basic EPS (sen)		2.80	2.96	5.87	5.06
Diluted EPS (sen)		2.80	2.96	5.87	5.06

Note:

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2016 and the accompanying notes attached to this interim financial report.).



Condensed Consolidated Statement of Comprehensive Income (Unaudited) (continued)
For six months ended 30 September 2016 (financial year ending 31 March 2017)
Notes to the Statement of Comprehensive Income

	3 months ended		6 months ended	
	30/9/2016 (Unaudited)	30/9/2015 (Unaudited)	30/9/2016 (Unaudited)	30/9/2015 (Unaudited)
RM'000				
Note A - Investment revenue				
- interest income	239	347	471	685
- rental income from investment property	56	(56)	112	113
Total investment revenue	295	291	583	798
Note B - Other gains and (losses)				
- Gain on disposal of property, plant and equipment	27	4	35	41
- Gain/(loss) on disposal of available-for-sale quoted investments & cash equivalents	10	69	39	55
- Cumulative gain/(loss) reclassified from equity on disposal of available-for-sale quoted investments	205	2,247	839	2,727
- Foreign exchange gain/(loss) - realised and unrealised	1,363	818	2,203	770
- Changes in fair values of forward contracts	-	481	-	1,026
Total other gains and (losses)	1,605	3,619	3,116	4,619
Note C - Finance costs				
- Interest expense	160	195	322	395
- Other bank charges	31	53	66	109
Total finance costs	191	248	388	504

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2016 and the accompanying notes attached to this interim financial report.)



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Oldtown Berhad (Company No. 797771-M)
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Condensed Consolidated Statement of Financial Position (Unaudited)
As at 30 September 2016

	As At 30/09/2016	As At 31/03/2016
RM'000	(unaudited)	(audited)
ASSETS		
Non-current assets		
Property, plant and equipment	107,722	109,696
Prepaid lease payments	13,130	13,219
Investment properties	2,573	2,573
Investments in associates	1,417	1,439
Other investments	1,058	1,058
Goodwill on consolidation	18,772	18,772
Intangible assets	24,575	26,339
Deferred tax assets	827	1,023
Total non-current Assets	170,074	174,119
Current assets		
Inventories	32,212	25,519
Trade and other receivables	58,704	63,038
Amount owing by associates	6,505	6,529
Other investments	10,654	10,049
Current tax assets	1,180	961
Fixed deposits and other cash and cash equivalents	186,227	169,402
Total current assets	295,482	275,498
TOTAL ASSETS	465,556	449,617
EQUITY		
Capital and reserves		
Issued capital	463,239	463,239
Reserves	(205,176)	(207,657)
Treasury shares, at cost	(21,547)	(21,545)
Retained earnings	127,487	128,067
Equity attributable to owners of the Company	364,003	362,104
Non-controlling interests	(335)	28
Net equity	363,668	362,132



OLDTOWN
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Oldtown Berhad (Company No. 797771-M)
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Condensed Consolidated Statement of Financial Position (Unaudited)
(continued)
As at 30 September 2016

	As At 30/09/2016	As At 31/03/2016
RM'000	(unaudited)	(audited)
Non-current liabilities		
Hire-purchase payables	10	13
Borrowings	9,437	12,115
Deferred income	2,166	1,921
Deferred tax liabilities	6,668	5,210
Total non-current liabilities	18,281	19,259
Current liabilities		
Trade and other payables	65,099	56,276
Amount owing to ultimate holding company	11,943	6,034
Hire-purchase payables	6	50
Borrowings	2,332	3,754
Deferred income	1,197	1,214
Current tax liabilities	3,030	898
Total current liabilities	83,607	68,226
TOTAL LIABILITIES	101,888	87,485
TOTAL EQUITY AND LIABILITIES	465,556	449,617
Net assets per share attributable to owners of the Company (RM) *	0.81	0.80

*It is arrived at by dividing the Equity attributable to owners of the Company by the number of shares outstanding (after the deduction of the number of treasury shares). As at 30 September 2016, the number of outstanding ordinary shares in issue after the set off of 11,769,200 treasury shares held by the Company is 451,469,901 ordinary shares of RM1.00 each.

As at 31 March 2016, the number of outstanding ordinary shares in issue after the set off of 11,768,200 treasury shares held by the Company is 451,470,901 ordinary shares of RM1.00 each.

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2016 and the accompanying notes attached to this interim financial report.)



OLDTOWN
WHITE COFFEE

Oldtown Berhad (Company No. 797771-M)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity (Unaudited)
For six months ended 30 September 2016 (financial year ending 31 March 2017)

	Non-distributable Reserves						Distributable Reserve	Attributable to Owners of the Company	Non-controlling Interests	Net Equity
	Issued Capital	Share Premium	Treasury Shares	Reserve Arising From Restructuring	Investment Revaluation Reserve	Foreign Currency Translation Reserve	Retained Earnings			
RM'000										
Balance as at 1 April 2016	463,239	9,435	(21,545)	(222,654)	1,907	3,655	128,067	362,104	28	362,132
Arising from acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	1,225	1,256	-	2,481	(26)	2,455
Profit for the period	-	-	-	-	-	-	26,508	26,508	(337)	26,171
Total comprehensive income for the period	-	-	-	-	1,225	1,256	26,508	28,989	(363)	28,626
Dividends	-	-	-	-	-	-	(27,088)	(27,088)	-	(27,088)
Buy-back of ordinary shares	-	-	(2)	-	-	-	-	(2)	-	(2)
Balance as at 30 September 2016	463,239	9,435	(21,547)	(222,654)	3,132	4,911	127,487	364,003	(335)	363,668
	Non-distributable Reserves						Distributable Reserve	Attributable to Owners of the Company	Non-controlling Interests	Net Equity
	Issued Capital	Share Premium	Treasury Shares	Reserve Arising From Restructuring	Investment Revaluation Reserve	Foreign Currency Translation Reserve	Retained Earnings			
RM'000										
Balance as at 1 April 2015	453,597	3,554	(21,148)	(222,654)	2,281	2,822	114,618	333,070	3,793	336,863
Arising from acquisition of subsidiary	9,642	5,881	-	-	-	-	(11,731)	3,792	(3,792)	-
Other comprehensive income for the period	-	-	-	-	(1,459)	3,535	-	2,076	65	2,141
Profit for the period	-	-	-	-	-	-	22,841	22,841	306	23,147
Total comprehensive income for the period	-	-	-	-	(1,459)	3,535	22,841	24,917	371	25,288
Dividends	-	-	-	-	-	-	(13,544)	(13,544)	-	(13,544)
Buy-back of ordinary shares	-	-	(383)	-	-	-	-	(383)	-	(383)
Balance as at 30 September 2015	463,239	9,435	(21,531)	(222,654)	822	6,357	112,184	347,852	372	348,224

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2016 and the accompanying notes attached to this interim financial report.)



OLDTOWN
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Oldtown Berhad (Company No. 797771-M)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Cash Flow (Unaudited)
For six months ended 30 September 2016 (financial year ending 31 March 2017)

	6 months ended	
	30/09/2016 (Unaudited)	30/09/2015 (Unaudited)
RM'000		
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit for the period	26,171	23,147
Adjustments for :		
Tax expenses recognised in profit or loss	9,873	7,075
Depreciation of property, plant and equipment	6,870	6,547
Amortisation of intangible assets	1,764	1,764
Changes in fair value of available-for-sale quoted investments classified as cash and cash equivalents	1,460	-
Property, plant and equipment written off	524	316
Finance costs	388	504
Amortisation of prepaid lease payments	89	89
Investment revenue recognised in profit or loss	(583)	(798)
Loss/(Gain) on disposal of property, plant and equipment	(35)	(41)
Share of (profits)/losses of associates	21	(24)
Unrealised loss/(gain) on foreign exchange	(1,568)	169
Gain/(loss) on disposal of available-for-sale quoted investments	-	(18)
Cumulative loss/(gain) reclassified from equity on disposal of available-for-sale quoted investments	(839)	(2,727)
Operating profit before changes in working capital	44,135	36,003
Movements in working capital		
(Increase)/decrease in inventories	(6,346)	6,534
(Increase)/decrease in receivables	5,648	5,662
(Increase)/decrease in amount owing by associates	314	(814)
Increase/(decrease) in payables	(11,726)	(18,339)
Increase/(decrease) in deferred income	210	(261)
Cash Generated From Operations	32,235	28,785
Income tax refunded	6	1,002
Income tax paid	(6,355)	(6,792)
Real Property Gains Tax paid (net)	-	(42)
NET CASH FROM OPERATING ACTIVITIES	25,886	22,953



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Condensed Consolidated Statement of Cash Flow (Unaudited) (continued)
For six months ended 30 September 2016 (financial year ending 31 March 2017)

	6 months ended	
	30/09/2016 (Unaudited)	30/09/2015 (Unaudited)
RM'000		
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Interest income received	471	685
Proceeds from disposal of property, plant and equipment	1,057	174
Rental income received	112	113
Purchase of property, plant and equipment	(6,791)	(8,183)
Purchase of available-for-sale quoted investments	-	(5,000)
Withdrawal/(Placement) of fixed deposits	(20)	734
Proceeds from disposal of available-for-sale quoted investments	-	32,493
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	(5,171)	21,016
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Advances from / (repayment to) ultimate holding company	11,827	5,868
Advances to associates	-	(493)
Dividends paid to owners of the Company	(13,544)	(13,264)
Repayment of term loans	(4,181)	(1,782)
Finance costs paid	(388)	(504)
Repayment of hire-purchase payables	(46)	(80)
Buy-back of ordinary shares	(2)	(383)
Dividends paid to non-controlling interests	(44)	(790)
NET CASH USED IN FINANCING ACTIVITIES	(6,378)	(11,428)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	14,337	32,541
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	167,789	134,204
Currency translation differences	2,468	1,630
CASH AND CASH EQUIVALENTS AT END OF PERIOD	184,594	168,375
Cash and cash equivalents comprise the following :		
Fixed deposits	1,633	1,058
Short-term investment funds	57,541	50,468
Other cash equivalents	81,072	90,671
Cash and bank balances	45,981	26,960
	186,227	169,157
Less : Fixed deposits held on lien	(1,633)	(782)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	184,594	168,375

(The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2016 and the accompanying notes attached to this interim financial report.)



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Quarterly financial report (unaudited)

For six months ended 30 September 2016 (financial year ending 31 March 2017)

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 year ended 31 March 2016 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 financial year ended 31 March 2016.

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 2016. 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.

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.



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Quarterly financial report (unaudited)

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

A6. Debt and Equity Securities

During the financial year-to-date, the Company repurchased a total of 1,000 ordinary shares of its issued ordinary shares from the open market at an average price of RM1.64 per share. The total consideration paid for the repurchase including transaction costs amounting to RM1,640 was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Of the total 463,239,101 issued and fully paid-up ordinary shares of RM1.00 each as at 30 September 2016, the number of treasury shares held was 11,769,200 shares. Therefore, the number of outstanding ordinary shares in issue and fully paid-up was 451,469,901.

Other than the above, there were no issuances, cancellations, repurchases and repayments of debt and equity securities.

A7. Dividend Paid

No dividend was paid during the quarter ended 30 September 2016.

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		6 months ended	
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
RM'000	Unaudited	Unaudited	Unaudited	Unaudited
Revenue				
Operation of Café Chain	48,817	46,977	94,353	93,488
Manufacturing of Beverages	50,729	45,640	108,078	93,188
	99,546	92,617	202,431	186,676
Profit Before Tax				
Operation of Café Chain	4,542	5,393	8,870	9,855
Manufacturing of Beverages	12,066	10,531	27,584	19,739
Others	(355)	702	(410)	628
	16,253	16,626	36,044	30,222



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Quarterly financial report (unaudited)

For six months ended 30 September 2016 (financial year ending 31 March 2017)

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		6 months ended	
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
RM'000	Unaudited	Unaudited	Unaudited	Unaudited
Revenue				
Malaysia	64,542	59,802	124,257	127,091
South East Asia	12,132	12,269	26,028	23,192
Other Asian countries	19,841	16,928	45,300	30,002
Others	3,031	3,618	6,846	6,391
	99,546	92,617	202,431	186,676

Revenue of approximately RM26,700,000 which contributed more than 10% of the total revenue of the Group is derived from one (1) external customer under manufacturing of beverages of Malaysia segment during the financial year-to-date.

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 was no material event 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.



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WHITE COFFEE

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(Incorporated in Malaysia)

Quarterly financial report (unaudited)

For six months ended 30 September 2016 (financial year ending 31 March 2017)

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 6 months ended 30 September 2016 are as follows:

(in RM'000)	Trade sales	Royalty	A&P	Trade Purchases	Rental	Others	Total	Trade sales	Royalty	A&P	Trade Purchases	Rental	Others	Total
	6 months ended 30/9/2016							6 months ended 30/9/2015						
Transactions with Holding Company														
Old Town International Sdn Bhd	-	-	-	153	672	-	826	-	-	-	-	680	-	680
Transactions with Associates														
OTK Eatery Sdn. Bhd.	3	142	85	-	-	71	302	18	160	96	-	-	100	374
OTK Singapore Pte. Ltd.	1,816	351	211	-	-	29	2,406	1,698	445	267	-	-	-	2,410
Plus One Solution Sdn. Bhd.	-	-	-	319	-	60	380	-	-	-	468	-	84	551
A company in which a close family member of a director of the Company who is also a deemed substantial shareholder of the Company is a shareholder and this close family member's wife is a director and has substantial financial interests in the company														
AC Montage Marketing Sdn. Bhd.	-	-	-	-	2	3	5	-	-	-	-	6	-	6
Transactions with a company in which close family members of a director of the Company are directors and have substantial financial interests; a company in which a close family member of a director of the Company who is also a deemed substantial shareholder of the Company is a director.														
CN Properties Sdn Bhd	-	-	-	-	-	-	-	-	-	-	-	11	-	11
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	-	-	-	-	11	-	11	-	-	-	-	11	-	11



Oldtown Berhad (Company No. 797771-M)
(Incorporated in Malaysia)

Quarterly financial report (unaudited)

For six months ended 30 September 2016 (financial year ending 31 March 2017)

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	Others	Total	Trade sales	Royalty	A&P	Trade Purchases	Rental	Others	Total
	6 months ended 30/9/2016							6 months ended 30/9/2015						
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.	1	-	-	-	-	0	1	234	34	20	-	-	0	288
GC Bangsar Two Sdn. Bhd.	217	36	22	-	-	4	279	203	36	22	-	-	1	261
GC Selayang Sdn. Bhd.	347	35	21	-	-	12	414	223	35	21	-	-	1	279
GC Shamelin Sdn. Bhd.	145	23	14	-	-	12	194	161	28	17	-	-	1	207
Gourmet Chef Sdn. Bhd.	111	16	10	-	-	1	139	176	25	15	-	-	1	217
Gourmet Corner KL Sdn. Bhd.	220	31	19	-	-	2	273	249	37	22	-	-	1	308
Gourmet Chef Kinrara Sdn. Bhd.	267	41	25	-	-	2	334	274	41	25	-	-	11	350
Gourmet Corner Ipoh Sdn. Bhd.	404	61	37	-	-	1	503	508	53	32	-	-	1	593
GC Brinchang Sdn Bhd (formerly known as OTK Ipoh Road Sdn. Bhd.)	264	50	30	-	-	2	345	218	40	24	-	-	0	282
Natural Marketing Sdn. Bhd.	-	-	-	28	-	-	28	-	-	-	37	-	-	37
Swiss Park Sdn. Bhd.	471	53	33	-	-	30	587	438	52	32	-	-	14	535
Manifest Corporate Services Sdn. Bhd.	-	-	-	-	-	56	56	-	-	-	-	-	74	74
Transactions with companies in which a close family member of a director of the Company ceased to be a director wef 02/05/2016 and ceased to be a substantial shareholder with effect from 27/05/2016														
GC Brickfields Sdn. Bhd.	101	6	3	-	-	1	111	153	22	13	-	-	1	189
GC Seremban Sdn. Bhd.	165	9	5	-	-	1	180	160	23	14	-	-	1	198



OLDTOWN
WHITE COFFEE

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(Incorporated in Malaysia)

Quarterly financial report (unaudited)

For six months ended 30 September 2016 (financial year ending 31 March 2017)

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	Others	Total	Trade sales	Royalty	A&P	Trade Purchases	Rental	Others	Total
Transactions with companies in which a close family member of a director of the Company who is also a deemed substantial shareholder of the Company is a director and has substantial financial interest.														
OTK Kopitiam (KLCC) Sdn Bhd	243	22	15	-	-	9	288	241	21	14	-	-	8	284
Carefree Avenue Sdn Bhd	400	58	35	-	-	3	495	508	71	43	-	-	1	623
Connezone Puchong Sdn Bhd	137	19	11	-	-	2	169	146	21	13	-	-	14	195
OTK (MBH) Sdn Bhd	150	28	17	-	-	1	196	183	31	19	-	-	0	233
Transactions with companies in which a close family member of a director of the Company, who is also a substantial shareholder of the Company has substantial financial interest and a close family member of a director of the Company has substantial financial interest.														
Acadian Gourmet KK Sdn. Bhd.	210	31	19	-	-	2	261	231	32	19	-	-	1	283
Transactions with a company in which a close member of a director of the Company, who is also a deemed substantial shareholder of the Company has substantial financial interest.														
Acadian Gourmet PB Sdn. Bhd.	223	35	21	-	-	1	280	222	28	21	-	-	0	272
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 who is also a deemed substantial shareholder of the Company has substantial financial interest.														
Acadian L'Apparel Manufacturing Sdn. Bhd.	-	-	-	-	-	23	23	-	-	-	-	-	176	176
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.	216	34	20	-	-	3	273	229	35	21	-	-	1	286
GC Kapar Sdn. Bhd.	211	32	19	-	-	1	263	215	30	18	-	-	0	264
GC South City Sdn. Bhd.	193	29	17	-	-	2	241	183	27	16	-	-	0	227
OTK Sarawak Sdn. Bhd.	0	18	11	-	-	9	39	0	21	12	-	-	20	54



Oldtown Berhad (Company No. 797771-M)
(Incorporated in Malaysia)

Quarterly financial report (unaudited)

For six months ended 30 September 2016 (financial year ending 31 March 2017)

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	Others	Total	Trade sales	Royalty	A&P	Trade Purchases	Rental	Others	Total
	6 months ended 30/9/2016							6 months ended 30/9/2015						
Transactions with a company in which a close family member of a director of the Company has substantial financial interest.														
OTK Logistics Sdn. Bhd	1,166	-	-	-	-	-	1,166	1,164	-	-	-	-	-	1,164
Transactions with companies in which a director of the Company is a director and has substantial financial interest.														
OTK Northern Sdn. Bhd.	253	29	17	-	-	2	301	281	30	18	-	-	(29)	300
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 close family member of a director of the Company has substantial financial interest.														
Gourmet Corner Sdn. Bhd.	308	45	27	-	-	1	382	314	44	26	-	-	1	384
Transactions with a company in which a close family member of a director of the Company who is also a deemed substantial shareholder of the Company and this close family member's wife are both directors and have substantial interests.														
Myth Empire Sdn Bhd (formerly known as Soonsen Enterprise Sdn Bhd)	-	-	-	2	72	4	78	-	-	-	-	86	-	86
Transactions with a company in which close family members of a director of the Company are directors and have substantial interests.														
GC Bangi Sdn. Bhd.	251	32	19	-	-	3	306	282	28	20	-	-	19	348



Quarterly financial report (unaudited)

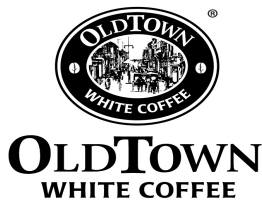
For six months ended 30 September 2016 (financial year ending 31 March 2017)

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	Others	Total	Trade sales	Royalty	A&P	Trade Purchases	Rental	Others	Total
	6 months ended 30/9/2016							6 months ended 30/9/2015						
Transactions with companies in which close family members of a director of the Company are directors and have substantial financial interests.														
OTK Megah Sdn. Bhd.	97	13	8	-	-	3	121	102	15	9	-	-	2	127
OTK USJ Sdn. Bhd.	109	17	10	-	-	2	138	116	17	10	-	-	0	144
OTK Sunway Sdn. Bhd.	220	31	18	-	-	2	270	235	31	19	-	-	1	285
OTK (Petaling Jaya) Sdn. Bhd.	293	43	26	-	-	3	365	287	40	24	-	-	2	352
Transactions with a director and/or substantial shareholder of the Company or a close family member of a director of the Company														
Lee Siew Heng	-	-	-	-	8	-	8	-	-	-	-	10	-	10
Lee Siew Meng	-	-	-	-	11	-	11	-	-	-	-	10	0	10
Tan Say Yap	-	-	-	-	8	-	8	-	-	-	-	-	-	-
Lim Khim Lan	-	-	-	-	30	-	30	-	-	-	-	30	-	30
Transactions with a company in which a director of the Company is a director and substantial shareholder; a company in which directors of the Company have substantial financial interest; a company in which a close family of a director of the Company has substantial financial interests.														
Fifth Evernew Sdn Bhd	-	-	-	-	7	-	7	-	-	-	-	-	-	-

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



**Quarterly financial report (unaudited)
For six months ended 30 September 2016 (financial year ending 31 March 2017)
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 September 2016 were as follows:

	As at 30 September 2016 RM'000
Approved and contracted for	9,448
Approved but not contracted for	-
Total capital commitments	9,448

Quarterly financial report (unaudited)

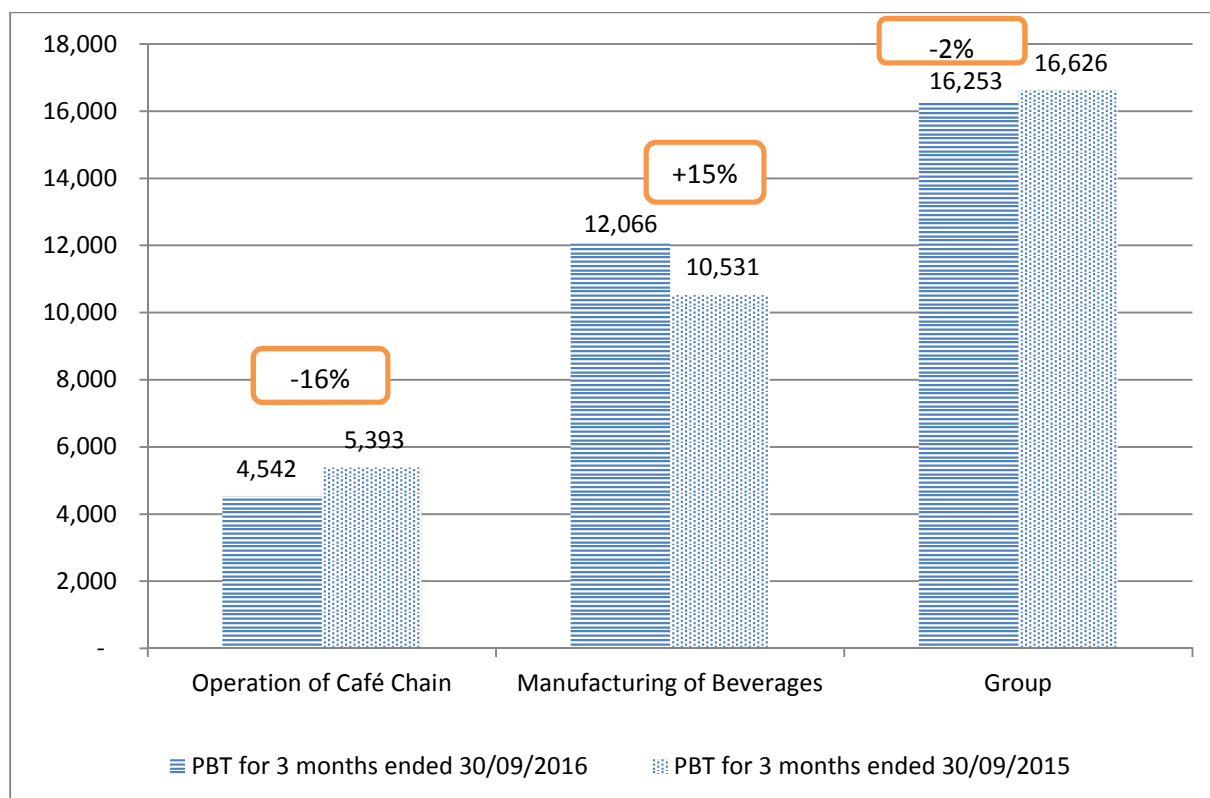
For six months ended 30 September 2016 (financial year ending 31 March 2017)

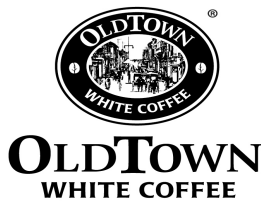
PART B - Explanatory Notes Pursuant To The Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Performance

	3 months ended		6 months ended	
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
RM'000	Unaudited	Unaudited	Unaudited	Unaudited
Revenue				
Operation of Café Chain	48,817	46,977	94,353	93,488
Manufacturing of Beverages	50,729	45,640	108,078	93,188
	99,546	92,617	202,431	186,676
Profit Before Tax				
Operation of Café Chain	4,542	5,393	8,870	9,855
Manufacturing of Beverages	12,066	10,531	27,584	19,739
Others	(355)	702	(410)	628
	16,253	16,626	36,044	30,222

3-month period (30/09/2016 vs. 30/09/2015)





Oldtown Berhad (Company No. 797771-M)
(Incorporated in Malaysia)

**Quarterly financial report (unaudited)
For six months ended 30 September 2016 (financial year ending 31 March 2017)
PART B - Explanatory Notes Pursuant To The Listing Requirements of Bursa
Malaysia Securities Berhad**

B1. Review of Performance (continued)

3-month period (30/09/2016 vs. 30/09/2015) (continued)

The Group recorded revenue of RM99.55 million for the quarter ended 30 September 2016, an increase of 7% as compared to RM92.62 million in the quarter ended 30 September 2015.

The profit before tax (PBT) for the quarter ended 30 September 2016 was RM16.25 million, a decrease of 2% from RM16.63 million registered in the quarter ended 30 September 2015.

Operation of café chain

The Group's café chain operation recorded PBT of RM4.54 million for the quarter ended 30 September 2016 on the back of the segment's revenue of RM48.82 million. This represented a decrease of 16% in PBT as compared to RM5.39 million achieved in the quarter ended 30 September 2015.

The segment's PBT was lower mainly attributable to higher staff costs and depreciation for the quarter ended 30 September 2016.

Manufacturing of beverages

The Group's manufacturing of beverages recorded PBT of RM12.07 million for the quarter ended 30 September 2016 on the back of the segment's revenue of RM50.73 million. This represented an increase of 15% in PBT as compared to RM10.53 million achieved in the quarter ended 30 September 2015.

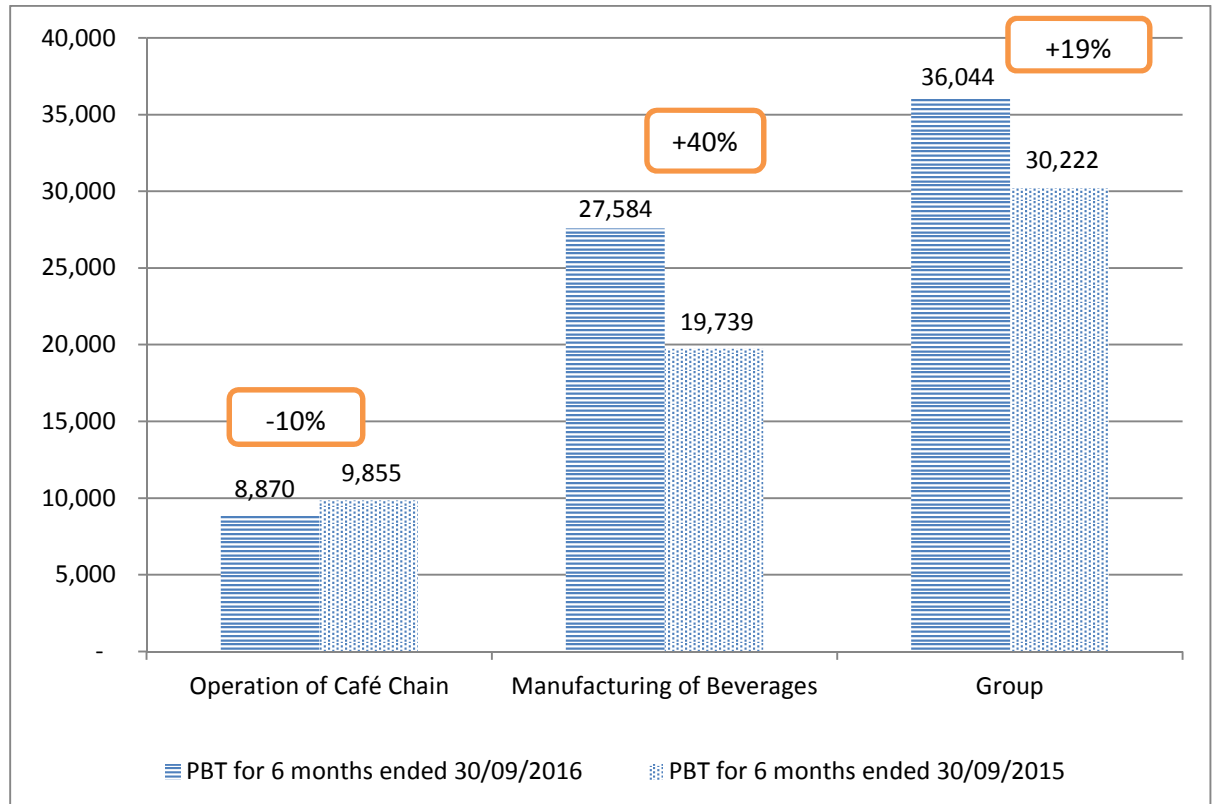
The segment's PBT was higher mainly attributable to higher local and export sales generated in the quarter ended 30 September 2016.



OLDTOWN
WHITE COFFEE
Quarterly financial report (unaudited)
For six months ended 30 September 2016 (financial year ending 31 March 2017)
PART B - Explanatory Notes Pursuant To The Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Performance (continued)

6-month period (30/09/2016 vs. 30/09/2015)



6-month period (30/09/2016 vs. 30/09/2015)

The Group recorded revenue of RM202.43 million for the 6-month period ended 30 September 2016, an increase of 8% as compared to RM186.68 million in the 6-month period ended 30 September 2015.

The profit before tax (PBT) for the 6-month period ended 30 September 2016 was RM36.04 million, an increase of 19% from RM30.22 million registered in the 6-month period ended 30 September 2015.

Operation of café chain

The Group's café chain operation recorded PBT of RM8.87 million for the 6-month period ended 30 September 2016 on the back of the segment's revenue of RM94.35 million. This represented a decrease of 10% in PBT as compared to RM9.85 million achieved in the 6-month period ended 30 September 2015.

The segment's PBT was lower mainly attributable to higher staff costs and depreciation for the 6-month period ended 30 September 2016.



Quarterly financial report (unaudited)

For six months ended 30 September 2016 (financial year ending 31 March 2016)

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

B1. Review of Performance (continued)

6-month period (30/09/2016 vs. 30/09/2015) (continued)

Manufacturing of beverages

The Group's manufacturing of beverages recorded PBT of RM27.58 million for the 6-month period ended 30 September 2016 on the back of the segment's revenue of RM108.08 million. This represented an increase of 40% in PBT as compared to RM19.74 million achieved in the 6-month period ended 30 September 2015.

The segment's PBT was higher mainly attributable to higher export sales generated in the 6-month period ended 30 September 2016.

B2. Variation of Results against Preceding Quarter

	Current Quarter	Preceding Quarter
RM'000	30/09/2016	30/06/2016
Revenue		
Operation of Café Chain	48,817	45,536
Manufacturing of Beverages	50,729	57,349
	99,546	102,885
Profit Before Tax		
Operation of Café Chain	4,542	4,328
Manufacturing of Beverages	12,066	15,518
Others	(355)	(55)
	16,253	19,791

Operation of café chain

The café chain operation recorded revenue of RM48.82 million and PBT of RM4.54 million in the current quarter.

The PBT of RM4.54 million was 5% higher than the PBT of RM4.33 million in the preceding quarter.

Manufacturing of beverages

The manufacturing of beverages recorded revenue of RM50.73 million and PBT of RM12.07 million in the current quarter.

The PBT of RM12.07 million was 22% lower than the PBT of RM15.52 million in the preceding quarter mainly due to higher selling and distribution expenses incurred in the current quarter.



OLDTOWN
WHITE COFFEE
Quarterly financial report (unaudited)
For six months ended 30 September 2016 (financial year ending 31 March 2017)
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 30 September 2016, the Group has a total of 238 café outlets; 204 in Malaysia, 9 in Singapore, 23 in Indonesia, 1 in Australia and 1 in China.

The Group plans to open new outlets in Malaysia for the financial year ending 31 March 2017 ("FYE 2017"). The outlets to be opened would be the "generic" outlets as well as the lower cost model (known as OldTown White Coffee Basic) in Malaysia. As market conditions remain challenging and for us to remain competitive, the Café Operations will continue to focus on a menu platform anchored on VALUE to encourage higher frequency among its existing customer base while attracting new users. It will also look further towards penetrating the kids and family segments with new marketing programs.

Development plans for Singapore will follow suit with the introduction of the "Basic" concept.

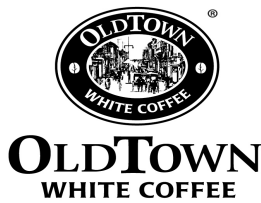
For the Indonesian market, the Group granted the right to the Master Licensee in Indonesia to establish and operate outlets in the territory of Bali and Jawa, Indonesia in year 2011. A second Master License Agreement was executed in June 2014 to cover the rest of Indonesia. The Group will continue to adopt the sub-licensing model to accelerate the expansion plans in Indonesia.

The cafe operations has signed an exclusive agreement with "Select Service Partners", an International Food and Beverage specialist for airports and transportation hubs, to develop the OldTown White Coffee Café outlets at such locations throughout Asia Pacific.

For the China market, the Group is expected to proceed with a re-launch of its operations and is currently seeking business partners for licensing activities. In view of the country's large population base and growing disposable income, the Group is optimistic about the growth potential of the café chain business in China.

Following the execution of the Master License Agreement in May 2014, the first outlet in Australia commenced operations on 16 June 2015.

The Group shall continue its efforts to maintain its margin and improve its topline growth for café chain operation through various initiatives namely streamlining the menu offerings and focusing on building brand loyalty among customers via consistent product quality and customer service.



**Quarterly financial report (unaudited)
For six months ended 30 September 2016 (financial year ending 31 March 2017)
PART B - Explanatory Notes Pursuant To The Listing Requirements of Bursa
Malaysia Securities Berhad**

B3. Commentary on Prospects (continued)

(ii) Manufacturing of Beverages Development Plans

The Group's manufacturing of beverages segment will continue to seek continuous improvement in manufacturing efficiency to drive cost savings and to improve margins for sustainable profitable growth.

In the domestic market, the Group will continue to invest in advertising, digital marketing campaigns and distribution network to strengthen its brand competitiveness in the marketplace in order to maintain its dominant position in the white coffee segment in Malaysia.

In the International market, the Group will focus on the core markets in Asia region in view of the region's enormous market potential and growing affluence amongst the urban population.

The Group will maintain its strategy of growing its market share in the key Asia's countries such as China, Hong Kong, Taiwan and Singapore. The Group will strengthen its marketing initiatives and driving excellence in outlet execution and ensuring availability, visibility of our brands in all channels from off-line retailers to on-line retailers.

To maintain its brand competitiveness in the domestic and international markets, the Group shall continue to invest in understanding consumer insight that aim to meet the growing consumer demand and to create innovations in products which will be supported by aggressive marketing campaign through multiple media channels to achieve cut-through in a highly fragmented media.

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 additional 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. At the same time, the outlook for both the café chain operation and manufacturing of beverages segments remains competitive and challenging.



**Quarterly financial report (unaudited)
For six months ended 30 September 2016 (financial year ending 31 March 2017)
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

	3 months ended		6 months ended	
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
RM'000	Unaudited	Unaudited	Unaudited	Unaudited
Income tax	3,794	2,604	8,232	6,489
Deferred tax	(5)	604	1,641	586
Total tax expense	3,789	3,208	9,873	7,075

The Group's effective tax was 24% for 6-month period ended 30 September 2016.

B6. Status of Corporate Proposals

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

B7. Borrowings and Debt Securities

Details of the Group's borrowings as at 30 September 2016 are as follows:

Secured Borrowings	RM'000
Current	
- Term Loan	2,332
- Hire-purchase payables	6
	2,338
Non-current	
- Term Loan	9,437
- Hire-purchase payables	10
	9,447
Total	11,785

The Group does not have borrowings which are denominated in foreign currency as at 30 September 2016.



Quarterly financial report (unaudited)

For six months ended 30 September 2016 (financial year ending 31 March 2017)

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

B8. Changes in Material Litigation

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

B9. Proposed Dividend

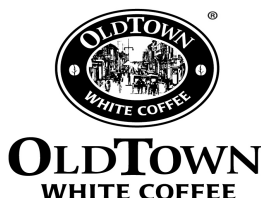
The Board of Directors declared an interim dividend of 3.0 sen per share under the single tier system for the financial year ending 31 March 2017. Details of the interim dividend approved and declared by the Board of Directors are as follows:

Interim dividend for financial year ending	31 March 2017
Dividend per share (single-tier)	3.0 sen
Approved and declared on	24 November 2016
Entitlement to dividends based on Record of Depositors as at	27 January 2017
Date payable	16 February 2017

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		6 months ended	
	30/09/2016 Unaudited	30/09/2015 Unaudited	30/09/2016 Unaudited	30/09/2015 Unaudited
Net profit attributable to owners of the Company (RM'000)	12,626	13,354	26,508	22,841
Weighted average number of ordinary shares in issue ('000)	451,470	451,606	451,470	451,606
Basic EPS (sen)	2.80	2.96	5.87	5.06
Diluted EPS (sen)	2.80	2.96	5.87	5.06
The weighted average number of ordinary shares in issue was computed as follows:				
Number of ordinary shares in issue as of April 1	463,239	453,597	463,239	453,597
Issuance of new shares for the acquisition of subsidiary	-	9,642	-	9,642
Effect of : shares repurchased	(11,769)	(11,633)	(11,769)	(11,633)
	451,470	451,606	451,470	451,606



Quarterly financial report (unaudited)

For six months ended 30 September 2016 (financial year ending 31 March 2017)

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

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 September 2016 (Unaudited)	As At 31 March 2016 (Audited)
Total retained earnings of the Company and its subsidiary companies		
- Realized	175,447	177,544
- Unrealized	(622)	(6,113)
Total share of retained earnings from associated companies		
- Realized	(43)	(41)
- Unrealized	-	19
	174,782	171,409
Less : consolidation adjustments	(47,295)	(43,342)
Group's retained profits as per consolidated financial statements	127,487	128,067

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 the Audit Committee and approved by the Board of Directors on 24 November 2016.

By Order of the Board

Wong Wai Foong
Company Secretary

24 November 2016