



**OLDTOWN**  
WHITE COFFEE

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

**Condensed Consolidated Statement of Comprehensive Income (Unaudited)**  
**For three months ended 30 June 2017 (financial year ending 31 March 2018)**

	Note	3 months ended	
		30/6/2017	30/6/2016
<b>RM'000</b>		(Unaudited)	(Unaudited)
Revenue		109,304	102,885
Investment revenue	A	351	288
Other gains and losses	B	(1,113)	1,511
Other operating income		3,719	792
Changes in inventories of finished goods, work in progress, trading merchandise, food, beverages and consumables		3,287	3,195
Raw materials and consumables used		(35,378)	(32,755)
Purchase of trading merchandise, food, beverages and consumables		(12,234)	(11,673)
Directors' remuneration		(577)	(499)
Employee benefits expenses		(17,158)	(16,860)
Depreciation of property, plant and equipment		(3,074)	(3,397)
Finance costs	C	(137)	(197)
Amortisation of prepaid lease payments		(44)	(44)
Amortisation of intangible assets		(882)	(882)
Other operating expenses		(24,193)	(22,550)
Share of profits/(losses) of associates		14	(23)
<b>Profit before tax</b>		<b>21,885</b>	<b>19,791</b>
Tax expense		(5,309)	(6,084)
<b>Profit For The Period</b>		<b>16,576</b>	<b>13,707</b>
Changes in fair value of available-for-sale quoted investments		782	967
Reclassification adjustments relating to available-for-sale quoted investments disposed of during the period		(104)	(634)
Exchange differences on translating foreign subsidiaries		(881)	682
<b>Total Comprehensive Income For The Period</b>		<b>16,373</b>	<b>14,722</b>
<b>Profit For The Period attributable to :</b>			
Owners of the Company		16,772	13,882
Non-controlling interests		(196)	(175)
		<b>16,576</b>	<b>13,707</b>
<b>Total Comprehensive Income For The Period attributable to :</b>			
Owners of the Company		16,545	14,905
Non-controlling interest		(172)	(183)
		<b>16,373</b>	<b>14,722</b>
<b>Earnings per share (EPS) attributable to Owners of the Company (sen) :</b>			
Basic EPS (sen)		3.62	3.07
Diluted EPS (sen)		3.62	3.07

**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 2017 and the accompanying notes attached to this interim financial report.).



**Condensed Consolidated Statement of Comprehensive Income (Unaudited) (continued)**  
**For three months ended 30 June 2017 (financial year ending 31 March 2018)**  
**Notes to the Statement of Comprehensive Income**

	3 months ended	
	30/6/2017 (Unaudited)	30/6/2016 (Unaudited)
<b>RM'000</b>		
<b>Note A - Investment revenue</b>		
- interest income	295	232
- rental income from investment property	56	56
<b>Total investment revenue</b>	<b>351</b>	<b>288</b>
<b>Note B - Other gains and (losses)</b>		
- Gain on disposal of property, plant and equipment	106	8
- Gain/(loss) on disposal of available-for-sale quoted investments & cash equivalents	19	29
- Cumulative gain/(loss) reclassified from equity on disposal of available-for-sale quoted investments	104	634
- Foreign exchange gain/(loss) - realised and unrealised	(1,342)	840
<b>Total other gains and (losses)</b>	<b>(1,113)</b>	<b>1,511</b>
<b>Note C - Finance costs</b>		
- Interest expense	107	162
- Other bank charges	30	35
<b>Total finance costs</b>	<b>137</b>	<b>197</b>

(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 2017 and the accompanying notes attached to this interim financial report.)



**OLDTOWN**  
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**Oldtown Berhad** (Company No. 797771-M)  
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**Condensed Consolidated Statement of Financial Position (Unaudited)**  
**As at 30 June 2017**

	As At 30/06/2017	As At 31/03/2017
RM'000	(unaudited)	(audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	115,929	117,676
Prepaid lease payments	12,997	13,042
Investment properties	2,573	2,573
Investments in associates	1,313	1,298
Other investments	1,058	1,058
Goodwill on consolidation	18,772	18,772
Intangible assets	21,928	22,810
Deferred tax assets	572	1,269
<b>Total non-current Assets</b>	<b>175,142</b>	<b>178,498</b>
<b>Current assets</b>		
Inventories	30,432	26,651
Trade and other receivables	82,145	63,343
Amount owing by associates	4,311	2,745
Other investments	11,069	10,937
Current tax assets	1,062	1,980
Cash and cash equivalents	199,839	170,857
<b>Total current assets</b>	<b>328,858</b>	<b>276,513</b>
<b>TOTAL ASSETS</b>	<b>504,000</b>	<b>455,011</b>
<b>EQUITY</b>		
<b>Capital and reserves</b>		
Issued capital	472,674	472,674
Reserves	(213,770)	(213,543)
Treasury shares, at cost	-	(21,566)
Retained earnings	161,380	134,543
Equity attributable to owners of the Company	420,284	372,108
Non-controlling interests	(976)	(804)
<b>Net equity</b>	<b>419,308</b>	<b>371,304</b>



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**Condensed Consolidated Statement of Financial Position (Unaudited)**  
(continued)  
As at 30 June 2017

	As At 30/06/2017	As At 31/03/2017
RM'000	(unaudited)	(audited)
<b>Non-current liabilities</b>		
Hire-purchase payables	7	8
Borrowings	7,612	8,227
Deferred income	1,951	2,206
Deferred tax liabilities	3,960	4,562
<b>Total non-current liabilities</b>	<b>13,530</b>	<b>15,003</b>
<b>Current liabilities</b>		
Trade and other payables	67,059	58,008
Amount owing to ultimate holding company	114	6,018
Hire-purchase payables	5	5
Borrowings	2,408	2,382
Deferred income	1,475	1,192
Current tax liabilities	101	1,099
<b>Total current liabilities</b>	<b>71,162</b>	<b>68,704</b>
<b>TOTAL LIABILITIES</b>	<b>84,692</b>	<b>83,707</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>504,000</b>	<b>455,011</b>
<b>Net assets per share attributable to owners of the Company (RM) *</b>	<b>0.91</b>	<b>0.82</b>

\*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 June 2017, the number of outstanding ordinary shares in issue held by the Company is 463,239,101 ordinary shares of RM1.00 each.

As at 31 March 2017, the number of outstanding ordinary shares in issue after the set off of 11,779,200 treasury shares held by the Company is 451,459,901 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 2017 and the accompanying notes attached to this interim financial report.)



**OLDTOWN**  
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**Oldtown Berhad** (Company No. 797771-M)  
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**Condensed Consolidated Statement of Changes in Equity (Unaudited)**  
For three months ended 30 June 2017 (financial year ending 31 March 2018)

	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	Other Reserves	Foreign Currency Translation Reserve	Retained Earnings			
<b>RM'000</b>											
<b>Balance as at 1 April 2017</b>	<b>472,674</b>	-	<b>(21,566)</b>	<b>(222,654)</b>	<b>2,439</b>	<b>115</b>	<b>6,557</b>	<b>134,543</b>	<b>372,108</b>	<b>(804)</b>	<b>371,304</b>
Other comprehensive income for the period	-	-	-	-	678	-	(905)	-	(227)	24	(203)
Profit for the period	-	-	-	-	-	-	-	16,772	16,772	(196)	16,576
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>678</b>	-	<b>(905)</b>	<b>16,772</b>	<b>16,545</b>	<b>(172)</b>	<b>16,373</b>
Disposal of treasury shares	-	-	21,566	-	-	-	-	10,065	31,631	-	31,631
<b>Balance as at 30 June 2017</b>	<b>472,674</b>	-	-	<b>(222,654)</b>	<b>3,117</b>	<b>115</b>	<b>5,652</b>	<b>161,380</b>	<b>420,284</b>	<b>(976)</b>	<b>419,308</b>

	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	Other Reserves	Foreign Currency Translation Reserve	Retained Earnings			
<b>RM'000</b>											
<b>Balance as at 1 April 2016</b>	<b>463,239</b>	<b>9,435</b>	<b>(21,545)</b>	<b>(222,654)</b>	<b>1,907</b>	-	<b>3,655</b>	<b>128,067</b>	<b>362,104</b>	<b>28</b>	<b>362,132</b>
Other comprehensive income for the period	-	-	-	-	333	-	690	-	1,023	(8)	1,015
Profit for the period	-	-	-	-	-	-	-	13,882	13,882	(175)	13,707
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>333</b>	-	<b>690</b>	<b>13,882</b>	<b>14,905</b>	<b>(183)</b>	<b>14,722</b>
Buy-back of ordinary shares	-	-	(2)	-	-	-	-	-	(2)	-	(2)
<b>Balance as at 30 June 2016</b>	<b>463,239</b>	<b>9,435</b>	<b>(21,547)</b>	<b>(222,654)</b>	<b>2,240</b>	-	<b>4,345</b>	<b>141,949</b>	<b>377,007</b>	<b>(155)</b>	<b>376,852</b>

(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 2017 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 Cash Flow (Unaudited)**  
**For three months ended 30 June 2017 (financial year ending 31 March 2018)**

	3 months ended	
	30/06/2017 (Unaudited)	30/06/2016 (Unaudited)
<b>RM'000</b>		
<b>CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>		
Profit for the period	16,576	13,707
Adjustments for :		
Tax expenses recognised in profit or loss	5,309	6,084
Depreciation of property, plant and equipment	3,074	3,397
Amortisation of intangible assets	882	882
Changes in fair value of available-for-sale quoted investments classified as cash and cash equivalents	650	669
Property, plant and equipment written off	2	129
Finance costs	137	197
Amortisation of prepaid lease payments	44	44
Investment revenue recognised in profit or loss	(351)	(288)
Loss/(Gain) on disposal of property, plant and equipment	(106)	(8)
Share of (profits)/losses of associates	(14)	23
Unrealised loss/(gain) on foreign exchange	1,414	(215)
Allowance for doubtful debts no longer required	(3,056)	-
Cumulative loss/(gain) reclassified from equity on disposal of available-for-sale quoted investments	(104)	(634)
<b>Operating profit before changes in working capital</b>	<b>24,457</b>	<b>23,987</b>
Movements in working capital		
(Increase)/decrease in inventories	(3,897)	(3,579)
(Increase)/decrease in receivables	(19,757)	(1,841)
(Increase)/decrease in amount owing by associates	1,457	201
Increase/(decrease) in payables	16,861	12,045
Increase/(decrease) in deferred income	29	262
<b>Cash Generated From Operations</b>	<b>19,150</b>	<b>31,075</b>
Income tax refunded	77	-
Income tax paid	(5,358)	(3,345)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>13,869</b>	<b>27,730</b>



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**Condensed Consolidated Statement of Cash Flow (Unaudited) (continued)**  
**For three months ended 30 June 2017 (financial year ending 31 March 2018)**

	3 months ended	
	30/06/2017 (Unaudited)	30/06/2016 (Unaudited)
<b>RM'000</b>		
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		
Interest income received	295	232
Proceeds from disposal of property, plant and equipment	107	8
Rental income received	56	56
Purchase of property, plant and equipment	(874)	(2,229)
Withdrawal/(Placement) of fixed deposits	(7)	(10)
<b>NET CASH FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>(423)</b>	<b>(1,943)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>		
Advances from / (repayment to) ultimate holding company	14	(6,047)
Dividends paid to owners of the Company	(13,544)	(13,544)
Repayment of term loans	(589)	(936)
Finance costs paid	(137)	(197)
Repayment of hire-purchase payables	(1)	(28)
Buy-back of ordinary shares	-	(2)
Proceeds from sale of treasury shares	31,631	-
Dividends paid to non-controlling interests	(12)	(44)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>17,362</b>	<b>(20,798)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>30,808</b>	<b>4,989</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	169,563	167,789
Currency translation differences	(1,832)	1,381
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>198,539</b>	<b>174,159</b>
<b>Cash and cash equivalents comprise the following :</b>		
Fixed deposits	1,677	1,623
Short-term investment funds	33,494	20,869
Other cash equivalents	94,333	85,655
Cash and bank balances	70,335	67,635
	<b>199,839</b>	<b>175,782</b>
Less : Fixed deposits held on lien	(1,300)	(1,623)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>198,539</b>	<b>174,159</b>

(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 2017 and the accompanying notes attached to this interim financial report.)



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**Oldtown Berhad** (Company No. 797771-M)  
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**Quarterly financial report (unaudited)**

**For three months ended 30 June 2017 (financial year ending 31 March 2018)**

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

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**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 2017 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 2017.

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 2017. 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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**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 had disposed of 11,779,200 of its issued ordinary shares held as treasury shares for a total consideration of RM31.63 million in the open market at an average price of RM2.69 per share.

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

**A7. Dividend Paid**

The following dividend was paid during the quarter ended 30 June 2017.

For financial year	31 March 2017
Type of dividend	<b>INTERIM</b>
Approved on	22 February 2017
Date paid	26 April 2017
Number of ordinary shares on which dividends were paid	451,459,901
Dividend per share (single-tier)	3.0 sen
Net dividend paid	RM13,543,797

**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	
	30/06/2017	30/06/2016
<b>RM'000</b>	Unaudited	Unaudited
<b>Revenue</b>		
Operation of Café Chain	45,586	45,536
Manufacturing of Beverages	63,718	57,349
	109,304	102,885
<b>Profit Before Tax</b>		
Operation of Café Chain	6,452	4,328
Manufacturing of Beverages	15,504	15,518
Others	(71)	(55)
	21,885	19,791



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**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:

RM'000	3 months ended	
	30/06/2017	30/06/2016
	Unaudited	Unaudited
<b>Revenue</b>		
Malaysia	62,233	59,715
South East Asia	13,533	13,896
Other Asian countries	28,895	25,459
Others	4,643	3,815
	<b>109,304</b>	<b>102,885</b>

Revenue of approximately RM14,465,000 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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**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 2017 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
	3 months ended 30/6/2017							3 months ended 30/6/2016						
<b>Transactions with Holding Company</b>														
Old Town International Sdn Bhd	-	-	-	-	340	-	340	-	-	-	33	340	-	373
<b>Transactions with Associates</b>														
OTK Eatery Sdn. Bhd.	4	70	42	-	-	35	151	3	68	41	-	-	34	145
OTK Singapore Pte. Ltd.	485	93	56	-	-	32	666	896	175	105	-	-	14	1,190
Plus One Solution Sdn. Bhd.	-	-	-	163	-	133	296	-	-	-	122	-	158	280
<b>Transactions with a company in which a close family member of a director of the Company is a director and has substantial financial interests and a close family member of a director of the Company has substantial financial interest.</b>														
AC Montage Marketing Sdn. Bhd.	-	-	-	-	-	-	-	-	-	-	-	2	-	2
<b>Transactions with a company in which a director of the Company and his wife are directors and have substantial financial interests.</b>														
CN Supplies Sdn Bhd	-	-	-	-	6	-	6	-	-	-	-	6	-	6



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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	Others	Total	Trade sales	Royalty	A&P	Trade Purchases	Rental	Others	Total
	3 months ended 30/6/2017							3 months ended 30/6/2016						
<b>Transactions with companies in which a close family member of a director of the Company is a director and has substantial financial interest.</b>														
GC Alamanda Sdn. Bhd.	-	-	-	-	-	-	-	0	-	-	-	-	1	1
GC Bangsar Two Sdn. Bhd.	100	17	10	-	-	1	128	108	18	11	-	-	1	139
GC Selayang Sdn. Bhd.	117	18	11	-	-	1	146	115	18	11	-	-	1	145
GC Shamelin Sdn. Bhd.	72	10	6	-	-	1	89	70	11	7	-	-	1	89
Gourmet Chef Sdn. Bhd.	-	-	-	-	-	-	-	81	12	7	-	-	1	102
Gourmet Corner KL Sdn. Bhd.	-	-	-	-	-	-	-	107	16	9	-	-	1	134
Gourmet Chef Kinrara Sdn. Bhd.	121	19	11	-	-	1	152	126	19	11	-	-	1	158
Gourmet Corner Ipoh Sdn. Bhd.	192	29	17	-	-	4	242	202	31	18	-	-	2	253
GC Brinchang Sdn Bhd ( formerly known as OTK Ipoh Road Sdn. Bhd.)	147	27	16	-	-	1	191	121	23	14	-	-	1	159
Natural Marketing Sdn. Bhd.	-	-	-	10	-	-	10	-	-	-	12	-	-	12
Manifest Corporate Services Sdn. Bhd.	-	-	-	-	-	37	37	-	-	-	-	-	28	28
<b>Transactions with companies in which a close family member of a director of the Company cease to be a director and substantial shareholder; a director of the Company cease to be a director and substantial shareholder.</b>														
GC Brickfields Sdn. Bhd.	-	-	-	-	-	-	-	50	6	3	-	-	1	60
GC Seremban Sdn. Bhd. (formerly known as GCR Laut Sdn Bhd)	-	-	-	-	-	-	-	84	9	5	-	-	1	99
Swiss Park Sdn. Bhd.	-	-	-	-	-	-	-	239	27	17	-	-	21	303



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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	Others	Total	Trade sales	Royalty	A&P	Trade Purchases	Rental	Others	Total
	3 months ended 30/6/2017							3 months ended 30/6/2016						
<b>Transactions with companies in which a close family member of a director of the Company is a director and has substantial financial interests.</b>														
OTK Kopitiam (KLCC) Sdn Bhd	128	11	8	-	-	4	151	108	10	7	-	-	8	133
Carefree Avenue Sdn Bhd	180	29	17	-	-	3	229	190	28	17	-	-	3	237
Conneczone Puchong Sdn Bhd	67	6	4	-	-	4	80	62	9	5	-	-	18	94
OTK (MBH) Sdn Bhd	73	13	8	-	-	1	95	72	14	8	-	-	1	95
<b>Transactions with companies in which a close family member of a director of the Company is a director and has substantial financial interests and a close family member has substantial financial interest.</b>														
Acadian Gourmet PB Sdn. Bhd.	100	14	9	-	-	1	123	108	17	10	-	-	1	137
Acadian Gourmet KK Sdn. Bhd.	95	14	9	-	-	1	119	101	15	9	-	-	1	127
<b>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 has substantial financial interest.</b>														
Acadian L'Apparel Manufacturing Sdn. Bhd.	-	-	-	3	-	-	3	-	-	-	-	-	12	12
<b>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.</b>														
GC Bangsar Sdn. Bhd.	103	16	10	-	-	1	129	108	17	10	-	-	3	137
GC Kapar Sdn. Bhd.	118	17	10	-	-	1	146	101	16	9	-	-	1	127
GC South City Sdn. Bhd.	98	15	9	-	-	1	123	96	14	9	-	-	1	120
OTK Sarawak Sdn. Bhd.	1	7	4	-	-	4	16	0	9	5	-	-	4	18



**OLDTOWN**  
WHITE COFFEE

**Oldtown Berhad** (Company No. 797771-M)  
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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	Others	Total	Trade sales	Royalty	A&P	Trade Purchases	Rental	Others	Total
	3 months ended 30/6/2017							3 months ended 30/6/2016						
<b>Transactions with a company in which a close family member of a director of the Company has substantial financial interest.</b>														
OTK Logistics Sdn. Bhd	458	-	-	-	-	-	458	570	-	-	-	-	-	570
<b>Transactions with companies in which a director of the Company is a director and has substantial financial interest.</b>														
Oldtown Asia Pacific Limited	-	16	-	-	-	-	16	-	-	-	-	-	-	-
OTK Northern Sdn. Bhd.	117	13	8	-	-	1	139	121	14	8	-	-	1	145
<b>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.</b>														
Gourmet Corner Sdn. Bhd.	153	22	13	-	-	2	191	151	22	13	-	-	1	188
<b>Transactions with a company in which close family members of a director of the Company are directors and/or have substantial financial interests</b>														
GC Bangi Sdn. Bhd.	127	17	10	-	-	11	166	116	16	9	-	-	3	144
<b>Transactions with companies in which close family members of a director of the Company are directors and have substantial financial interests.</b>														
Myth Empire Sdn Bhd (formerly known as Soonsen Enterprise Sdn Bhd)	-	-	-	-	43	-	43	-	-	-	2	43	-	45
OTK Megah Sdn. Bhd.	95	15	9	-	-	1	120	47	7	4	-	-	1	59
OTK USJ Sdn. Bhd.	60	10	6	-	-	1	77	50	8	5	-	-	1	63
OTK Sunway Sdn. Bhd.	114	16	10	-	-	1	142	106	15	8	-	-	1	131
OTK (Petaling Jaya) Sdn. Bhd.	130	19	12	-	-	1	162	140	20	12	-	-	2	174



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**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
	3 months ended 30/6/2017							3 months ended 30/6/2016						
<b>Transactions with a director and/or substantial shareholder of the Company or a close family member of a director of the Company</b>														
Lee Siew Heng	-	-	-	-	8	-	8	-	-	-	-	4	-	4
Lee Siew Ming	-	-	-	-	5	-	5	-	-	-	-	5	-	5
Tan Say Yap	-	-	-	-	8	-	8	-	-	-	-	4	-	4
Lim Khim Lan	-	-	-	-	10	-	10	-	-	-	-	15	-	15
<b>Transactions with a company in which a director of the Company is a director and has substantial interest; a company in which certain directors of the Company have substantial financial interest; a company in which a close family member of a director of the Company has substantial financial interests.</b>														
Fifth Evernew Sdn Bhd	-	-	-	-	-	-	-	-	-	-	-	7	-	7
<b>Transactions with a company in director of the Company is a director and and has substantial financial interest; a company in which certain directors of the Company have substantial financial interests; a company in which a close family member of a director of the Company is a director and has substantial financial interests and a company in which closed family members of a director of the Company have substantial financial interests or are shareholders.</b>														
Best Priority Sdn Bhd	86	13	10	-	-	6	114	-	-	-	-	-	-	-



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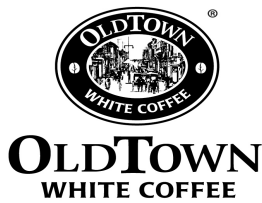
**PART A - Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting**

**A12. Related Party Transactions (continued)**

(in RM'000)	Trade sales	Royalty	A&P	Trade Purchases	Rental	Others	Total	Trade sales	Royalty	A&P	Trade Purchases	Rental	Others	Total
	3 months ended 30/6/2017							3 months ended 30/6/2016						
<b>Transactions with a Limited Liability Partnership in which a close family member of a director of the Company is a partner.</b>														
GCBercham PLT	355	19	11	-	-	1	386	-	-	-	-	-	-	-
<b>Transactions with a company in which certain directors of the Company are directors and have substantial financial interests; a company in which a director of the Company has substantial financial interests; a company in which a close family member of a director of the Company have substantial financial interests.</b>														
Actual Dual Sdn Bhd	1	-	-	-	-	-	1	-	-	-	-	-	-	-

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





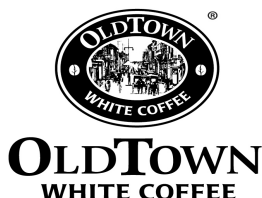
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**A13. Capital Commitments**

The capital commitments for property, plant and equipment not provided for as at 30 June 2017 were as follows:

	As at 30 June 2017
	RM'000
Approved and contracted for	8,943
Approved but not contracted for	-
<b>Total capital commitments</b>	<b>8,943</b>

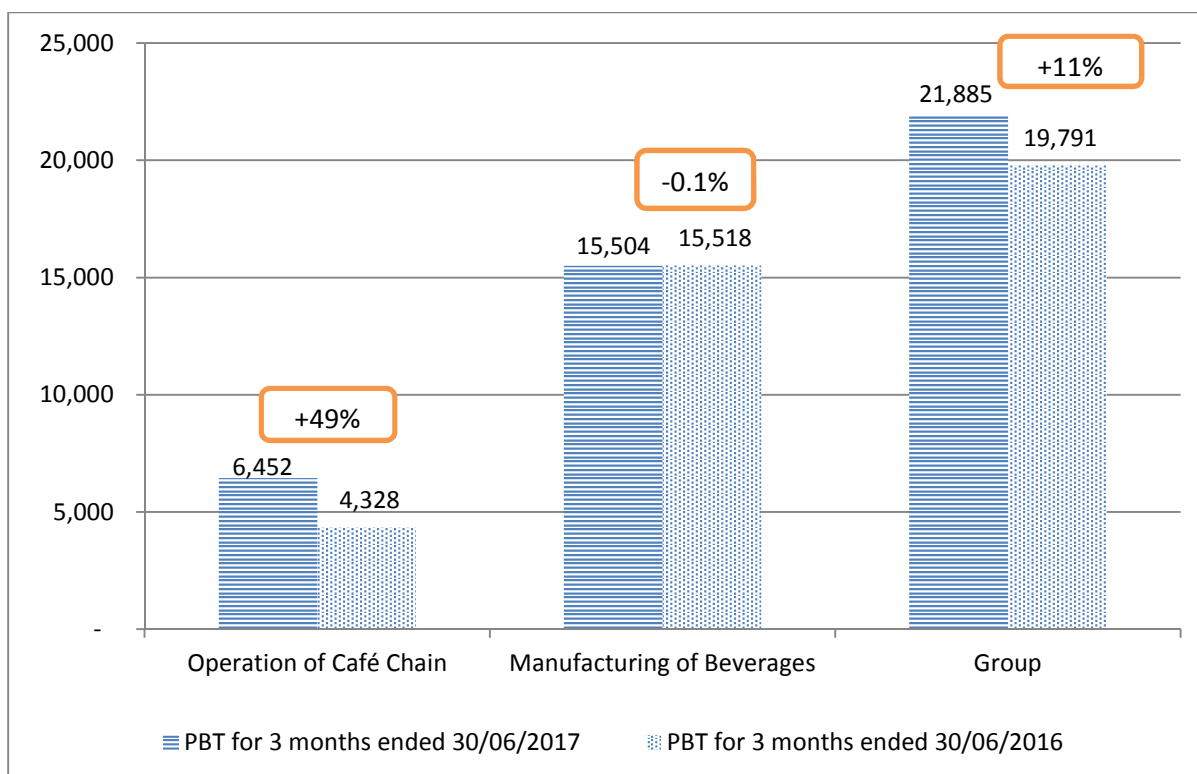


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**Malaysia Securities Berhad**

**B1. Review of Performance**

	3 months ended	
	30/06/2017	30/06/2016
<b>RM'000</b>	Unaudited	Unaudited
<b>Revenue</b>		
Operation of Café Chain	45,586	45,536
Manufacturing of Beverages	63,718	57,349
	109,304	102,885
<b>Profit Before Tax</b>		
Operation of Café Chain	6,452	4,328
Manufacturing of Beverages	15,504	15,518
Others	(71)	(55)
	21,885	19,791

**3-month period (30/06/2017 vs. 30/06/2016)**





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**B1. Review of Performance (continued)**

**3-month period (30/06/2017 vs. 30/06/2016) (continued)**

The Group recorded revenue of RM109.30 million for the quarter ended 30 June 2017, an increase of 6% as compared to RM102.89 million in the quarter ended 30 June 2016.

The profit before tax (PBT) for the quarter ended 30 June 2017 was RM21.89 million, an increase of 11% from RM19.79 million registered in the quarter ended 30 June 2016.

**Operation of café chain**

The Group's café chain operation recorded PBT of RM6.45 million for the quarter ended 30 June 2017 on the back of the segment's revenue of RM45.59 million. This represented an increase of 49% in PBT as compared to RM4.33 million achieved in the quarter ended 30 June 2016.

The segment's PBT was higher mainly attributable to the write back of the provision of doubtful debts of RM3.06 million for the quarter ended 30 June 2017.

**Manufacturing of beverages**

The Group's manufacturing of beverages recorded PBT of RM15.50 million for the quarter ended 30 June 2017 on the back of the segment's revenue of RM63.72 million. This represented a marginal decrease of 0.1% in PBT as compared to RM15.52 million achieved in the quarter ended 30 June 2016.

Despite the segment's revenue increased by 11%, the PBT dropped by 0.1% mainly due the following reasons:

- (a) Affected by the impact of RM2.10 million unrealized foreign exchange loss and
- (b) Higher operating expenses mainly attributable to the increase in selling and distribution expenses.

Manufacturing of Beverages				
	3 months ended			
RM'000	30/06/2017	30/06/2016		
Revenue	63,718	57,349	6,369	11.1%
Profit Before Tax	15,504	15,518	(14)	-0.1%
Other gains and losses	(1,214)	883	(2,097)	-237.5%
Other operating expenses	(11,094)	(9,226)	(1,868)	20.3%



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**B2. Variation of Results against Preceding Quarter**

	Current Quarter	Preceding Quarter
RM'000	30/06/2017	31/03/2017
<b>Revenue</b>		
Operation of Café Chain	45,586	47,784
Manufacturing of Beverages	63,718	59,180
	109,304	106,964
<b>Profit Before Tax</b>		
Operation of Café Chain	6,452	1,095
Manufacturing of Beverages	15,504	11,535
Others	(71)	(42)
	21,885	12,588

**Operation of café chain**

The café chain operation recorded revenue of RM45.59 million and PBT of RM6.45 million in the current quarter.

The PBT of RM6.45 million was 489% higher than the PBT of RM1.10 million in the preceding quarter.

The PBT in the preceding quarter was impacted by the provision of doubtful debts of RM4.76 million.

The segment's PBT was higher for the quarter ended 30 June 2017 mainly attributable to the write back of the provision of doubtful debts of RM3.06 million.

**Manufacturing of beverages**

The manufacturing of beverages recorded revenue of RM63.72 million and PBT of RM15.50 million in the current quarter.

The revenue increased from RM59.18 million to RM63.72 (8%). The PBT was 34% higher mainly due to the lower selling and distribution expenses incurred in the current quarter.

Manufacturing of Beverages				
	Current Quarter	Preceding Quarter		
RM000	30/06/2017	31/03/2017		
Revenue	63,718	59,180	4,538	7.7%
Profit Before Tax	15,504	11,535	3,969	34.4%
Other operating expenses	(11,094)	(15,419)	4,325	-28.1%



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**B3. Commentary on Prospects**

**(i) Café Chain Operation Development Plans**

As at 30 June 2017, the Group has a total of 231 café outlets; 191 in Malaysia, 9 in Singapore, 26 in Indonesia, 1 in Australia, 3 in China and 1 in Hong Kong.

For the financial year ending 31 March 2018 (“FYE 2018”), the network growth strategy to open new outlets in Malaysia will still be centered on the traditional format “Generic” outlets. While the “Generic” outlets will be the main thrust of our network growth, we will also be steadfast in identifying potential locations where the lower cost model (known as OldTown White Coffee Basic) remain as a viable solution and a growth model. It bodes well for the Café Operation in general and the franchising business specifically as we continue to receive many enquiries by interested parties who look to be prospective franchisees of the brand.

We believe the weak consumer sentiments that continue to prevail will impact the consumer purchase behaviour with regards to eat out of home occasions and in turn will create a tougher business environment for the café chain operations. We also expect more of the tightening regulations and policies of the government that directly impact F&B industry and this will further create an adverse impact on the business.

In this prevailing business environment, more than ever, we must remain focused on driving and strengthening the value perception amongst our current users of the brand. With the HAPPY SAVERS set meals value platform launched in April 2017, we will through a targeted media placement and communication strategy, create awareness of this value centric offerings so as to cast a wider net and reach to attract the lapse users of the brand and even new users. The end result we seek is to ensure we have an upward momentum in transactions on comparative store basis.

Across the causeway, our Singapore operations growth strategy will anchor itself on growing profitably and its network expansion is expected to be pushed via the “Basic” concept outlets with the latest being opened in MidTown, Singapore on 24 April 2017. A concerted effort that began in the last quarter of FYE2017 to enhance the profitability of the operating entities in Singapore will continue to identify any inefficiencies in its operations, and to correct them so as to improve operating margins and to mitigate losses if any. To drive revenue, we see a potential uplift coming from working with 3rd party delivery companies and this will be further explored.



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**B3. Commentary on Prospects (continued)**

**(i) Café Chain Operation Development Plans**

The Café operations has progressively established itself in various countries outside Malaysia since 2008. As a natural progression, Singapore was the first international entry for the café operations and we have since entered into Indonesia – Jawa & Bali (January 2011), Indonesia – Rest of Indonesia (November 2013), Australia (June 2015), Hong Kong (October 2016), China – Jiangsu Province (July 2016). Subsequently, in early 2017 we have also signed up a new licensee for Yangon - Myanmar as well as a new licensee for Fujian Province in China. Letters of Intent have also been executed for other provinces in China, namely, Guangdong Province, Shanghai as well as Beijing.

The Key markets that the F&B International intends to focus on, for the short to mid-term, would be the China as well as the Indo – China markets. Thereafter, we would also be looking at a growth trajectory in the Middle East (Halal) markets.

The management structure for the F&B has been expanded to ensure that the International development plan would be substantiated with the right personnel that would be able to carry out the various strategies.

The basic infrastructure has also been set up for the expansion into China with the acquisition of Guangzhou Supreme Food Services Limited (2015) as the manufacturer of paste and sauces for the café operations and the incorporation of Shenzhen Kopitiam Asia Pacific Limited (2015) as the trading and management arm for the café operations in China.

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.



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**B3. Commentary on Prospects (continued)**

**(ii) Manufacturing of Beverages Development Plans**

We market, sell and distribute our products under OLDTOWN brand name in approximately 17 countries. We operate in highly competitive markets that include global, regional and local competitors. Our brand positioning and product quality have significantly contributed to building our market-leading position across key markets (Malaysia, Singapore and Hong Kong).

To grow and maintain our market position, we focus on product quality, deeper understanding of consumers' insights, bringing new products and innovations to market and effectively meeting consumers' needs and preferences. We pursue growth opportunities such as expanding our export market and transforming our product portfolio to bring variety and excitement to our targeted consumers.

For FYE 2018, we expect strong growth from export market driven by China, Australia, USA, Indonesia and Philippines. In domestic market, we will strengthen our market position by introducing distributors' performance management program, capturing online channel opportunities and driving excellence in outlet execution.

In response to higher material input costs and changing market conditions, we will constantly monitor our pricing and adjust accordingly to address changing market environment. We are always mindful on cost savings and efficiencies as part of the ongoing efforts to enhance long-term profitability. We also plan to increase capital expenditure for the manufacturing facilities particularly in the automation project to improve efficiency and drive cost savings.

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 capitalize on cost efficiencies. 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.



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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	
	30/06/2017	30/06/2016
	Unaudited	Unaudited
Income tax	5,221	4,438
Deferred tax	88	1,646
<b>Total tax expense</b>	<b>5,309</b>	<b>6,084</b>

The Group's effective tax was 23.76% for 3-month period ended 30 June 2017. It was slightly lower than the statutory tax rate of 24.00%.

**B6. Status of Corporate Proposals**

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

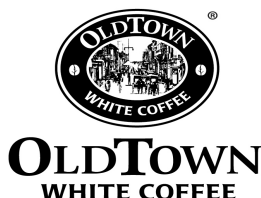
**B7. Borrowings and Debt Securities**

Details of the Group's borrowings as at 30 June 2017 are as follows:

Secured Borrowings	RM'000
Current	
- Term Loan	2,408
- Hire-purchase payables	5
	2,413
Non-current	
- Term Loan	7,612
- Hire-purchase payables	7
	7,619
<b>Total</b>	<b>10,032</b>

The Group does not have borrowings which are denominated in foreign currency as at 30 June 2017.





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**B8. Changes in Material Litigation**

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

**B9. Proposed Dividend**

There was no dividend proposed in the current quarter.

**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	
	30/06/2017 Unaudited	30/06/2016 Unaudited
Net profit attributable to owners of the Company (RM'000)	16,772	13,882
Weighted average number of ordinary shares in issue ('000)	463,239	451,470
Basic EPS (sen)	3.62	3.07
Diluted EPS (sen)	3.62	3.07
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	463,239
Effect of : shares repurchased	-	(11,769)
	463,239	451,470

**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 2017 (Unaudited)	As At 31 March 2017 (Audited)
Total retained earnings of the Company and its subsidiary companies		
- Realized	191,652	159,516
- Unrealized	(1,165)	2,695
Total share of retained earnings from associated companies		
- Realized	(147)	(171)
- Unrealized	(1)	9
	190,339	162,049
Less : consolidation adjustments	(28,959)	(27,506)
Group's retained profits as per consolidated financial statements	161,380	134,543



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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 the Audit Committee and approved by the Board of Directors on 24 August 2017.

By Order of the Board

Wong Wai Foong  
Company Secretary

24 August 2017