

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
31.	MDKT/B/2669/1	Majlis Daerah Kota Tinggi	Certificate of Completion and Compliance issued for one (1) club house only at Jalan Lombong, Pusat Peranginan Air Terjun.	23.09.2003	-	-	Not applicable
32.	MDKT/T/B/KT/2669-4	Majlis Daerah Kota Tinggi	Certificate of Completion and Compliance issued for one (1) storey office building, entrance arch and two (2) ticketing booth at Lot 10930, part of Lot 894 & 895, Jalan Lombong.	23.09.2003	-	-	Not applicable
33.	MDKT/T/B/KT/2669-2	Majlis Daerah Kota Tinggi	Certificate of Completion and Compliance issued for six (6) units food stall, souvenir shop, four (4) blocks chalet, stall for snack and restaurant at Jalan Lombong, Kota Tinggi, Johor Darul Takzim.	23.09.2003	-	-	Not applicable
Magnificent Empire							
34.	G050109200749	Majlis Perbandaran Bentong	Licence to sell snacks at Market Food Street, F/L2.C4, Level 2, First World Plaza, 69000 Pahang Darul Makmur.	08.09.2014	31.12.2014	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
35.	G050109200751	Majlis Perbandaran Bentong	Licence to sell snacks at Market Food Street, F/L2.C5, Level 2, First World Plaza, 69000 Pahang Darul Makmur.	08.09.2014	31.12.2014	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
36.	L050160203568	Majlis Perbandaran Bentong	Licence to operate restaurant at 1 Meter Teh, Lot F/L1.1, Level T1, First World Hotel, Genting Highlands Plaza, 69000 Genting Highlands, Pahang Darul Makmur.	20.11.2013	31.12.2014	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
37.	L050180404565	Majlis Perbandaran Bentong	Licence to operate snacks counter at Only Easy Store, Lot F/L 2AM, Level 2AM, First World Plaza, First World Hotel, Genting Highlands Resort, 69000 Genting Highlands, Pahang Darul Makmur.	09.05.2014	27.05.2015	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
38.	L050184304821	Majlis Perbandaran Bentong	Licence to operate a café at Easy Store, Lot G/LG6.00, Genting Grand Hotel, Genting Highlands Resort, 69000 Genting Highlands, Pahang Darul Makmur.	08.07.2014	06.07.2015	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
39.	AR 5374	SIRIM QAS International Sdn Bhd	MS 1480:2007 Food Safety According to Hazard Analysis and Critical Control Point (HACCP) System (First Revision) Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlet (Only Easy Cafe), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlet (Only Easy Cafe) at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 28.01.2014 to 25.11.2016	During the validity period of certificate, the certificate holder agrees to continue to carry out <i>bona fide</i> business and at all times comply with all statutory requirements applicable to its scope of operation.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
40.	MY-AR 5374	IQNET and SIRIM QAS International Sdn Bhd	MS 1480:2007 Food Safety System Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlet (Only Easy Cafe), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlet (Only Easy Cafe) at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	-	Not applicable
41.	AR 5375	SIRIM QAS International Sdn Bhd	ISO 22000:2005 Food Safety Management System Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlet (Only Easy Cafe), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlet (Only Easy Cafe) at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	During the validity period of certificate, the certificate holder agrees to continue to carry out <i>bona fide</i> business and at all times comply with all statutory requirements applicable to its scope of operation.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
42.	MY-AR 5375	IQNET and SIRIM QAS International Sdn Bhd	ISO 22000:2005 Food Safety Management Systems Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlet (Only Easy Cafe), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlet (Only Easy Cafe) at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	-	Not applicable
43.	GMP 016	SIRIM QAS International Sdn Bhd	MS 1514:2009 Good Manufacturing Practice (GMP) for Food (First Revision) Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of food by outlet, receipt of raw materials, preparation, cooking of food up to serving to customers by the outlet at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	During the validity period of certificate, the certificate holder agrees to continue to carry out <i>bona fide</i> business and at all times comply with all statutory requirements applicable to its scope of operation.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
Mercu Jutean							
44.	014023319960001	Majlis Bandaraya Shah Alam	Licence for sale of souvenir, sale of junk food, recreational activities, illuminated advertisement and shaft at Taman Tema Air Wet World, No.3A, Persiaran Dato' Menteri, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan.	24.12.2013	31.12.2014	-	Not applicable
45.	002040120030001	Majlis Bandaraya Shah Alam	Licence for illuminated advertisement, restaurant and shaft at Taman Tema Air Wet World, No.3A, Persiaran Dato' Menteri, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan.	24.12.2013	31.12.2014	-	Not applicable
46.	014021320040001	Majlis Bandaraya Shah Alam	Licence for nursery and shaft at Taman Tema Air Wet World, No.3A, Persiaran Dato' Menteri, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan.	24.12.2013	31.12.2014	-	Not applicable
47.	L014150120130007	Majlis Bandaraya Shah Alam	Licence for the entertainment licence to operate a recreation park and nine (9) units kiddies rides at Taman Tema Air Wet World, No.3A, Persiaran Dato' Menteri, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan.	03.07.2014	31.12.2014	-	Not applicable
48.	B07P3130529-007574	Ministry of Health	Certificate of registration for food premise at Taman Tasik Barat, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan.	03.06.2014	29.05.2016	-	Not applicable

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
49.	B07P3130529-007376	Ministry of Health	Certificate of registration for food premise at F&B Marquee, Wet World Shah Alam, 40000 Shah Alam, Selangor Darul Ehsan.	03.06.2014	29.05.2016	-	Not applicable
50.	No. MBSA:CF 1629	Majlis Bandaraya Shah Alam	Certificate of fitness for occupation for the Wet World at Tasik Barat Zone W-2, Persiaran Dato Menteri, Seksyen14, 40000 Shah Alam, Selangor Darul Ehsan.	26.09.2014	-	-	Not applicable
Only Mee							
51.	L050144402818	Majlis Perbandaran Bentong	Licence to operate restaurant at Only Mee, Lot F/L2.9A, Level T2, First World Hotel, 69000 Genting Highlands, Pahang Darul Makmur.	20.11.2013	31.12.2014	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
52.	I050155102227	Majlis Perbandaran Bentong	Licence for non-illuminated advertisement "Only Mee" at Lot F/L2.9A, Level T2, First World Plaza, 69000 Genting Highlands, Pahang Darul Makmur.	08.01.2014	31.12.2014	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
53.	014040120050017	Majlis Bandaraya Shah Alam	Licence for restaurant, illuminated and non-illuminated advertisements at Lot No. GF-27, Tingkat Bawah, SACC Mall, Jalan Perbandaran 14/9, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan.	24.12.2013	31.12.2014	-	Not applicable
54.	L014140120140012 - (LSMT)	Majlis Bandaraya Shah Alam	Licence for restaurant at Lot No. GF-27A, Tingkat Bawah, Persiaran Perbandaran 14/9, Pusat Bandar Shah Alam, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan.	26.09.2014	31.07.2015	-	Not applicable
55.	FS001392	Majlis Bandaraya Kuching Selatan	Licence to operate business on F&B at 1 st Floor, Lot L1L-01, MASB, Kuching International Airport, 93250 Kuching, Sarawak.	23.10.2013	31.12.2014	-	Not applicable
56.	AR 5368	SIRIM QAS International Sdn Bhd	MS 1480:2007 Food Safety According to Hazard Analysis and Critical Control Point (HACCP) System (First Revision) Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlets (Only Mee), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlets (Only Mee at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	During the validity period of certificate, the certificate holder agrees to continue to carry out <i>bona fide</i> business and at all times comply with all statutory requirements applicable to its scope of operation.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
57.	MY-AR 5368	IQNET and SIRIM QAS International Sdn Bhd	MS 1480:2007 Food Safety System Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlets (Only Mee), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlets (Only Mee) at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	-	Not applicable
58.	AR 5369	SIRIM QAS International Sdn Bhd	ISO 22000:2005 Food Safety Management Systems Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlets (Only Mee), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlets (Only Mee) at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	During the validity period of certificate, the certificate holder agrees to continue to carry out <i>bona fide</i> business and at all times comply with all statutory requirements applicable to its scope of operation.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
59.	MY-AR 5369	IQNET and SIRIM QAS International Sdn Bhd	ISO 22000:2005 Food Safety Management Systems Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlets (Only Mee), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlets (Only Mee) at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	-	Not applicable
60.	GMP 013	SIRIM QAS International Sdn Bhd	MS 1514:2009 Good Manufacturing Practice (GMP) for Food (First Revision) Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlets (Only Mee), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlets (Only Mee) at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	During the validity period of certificate, the certificate holder agrees to continue to carry out <i>bona fide</i> business and at all times comply with all statutory requirements applicable to its scope of operation.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
61.	JAKIM/(S)/(22.00)/492/2/0 69-03/2006	Department of Islamic Development Malaysia	MS 1500:2009 Halal Certification of Authentication at Only Mee, Lot 27B, Ground Floor, SACC Mall, 3F-02, Jalan Perbadanan 14/9, 40000 Selangor Darul Ehsan.	16.05.2014	15.05.2016	(i) The certificate shall not be traded, transferred nor shall its content be altered. (ii) Any changes to name or address of the company, factory or premise, name of the product, ingredients, suppliers or anything related shall be informed in writing to the Director General of the Department of Islamic Development of Malaysia (JAKIM). (iii) The certificate holder shall exhibit the Logo on the product of the approved premise as stated in the certificate.	Complied
Pedas Hot Spring							
62.	L-0000619-3	Majlis Daerah Rembau	Licence for advertisement or notice board, restaurant, recreational centre, garbage, public licence plate and souvenir at Lot 603, Mukim Pedas, 71400 Pedas, Negeri Sembilan Darul Khusus.	17.12.2013	31.12.2014	Licence must be renewed prior to 30 th January of every year.	Complied
63.	No. 440	Majlis Daerah Rembau	Certificate of Completion and Compliance issued for building at Taman Tema at Lot 603, 716, 719, 1265, PW 800, Mukim Pedas, Pedas, Negeri Sembilan Darul Khusus.	21.12.2000	-	-	Not applicable

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
Platinum Attractions							
64.	L10010868	Majlis Perbandaran Batu Pahat	Licence for personal parking lot at No. Lot MLO 138 & Lot PTD 11383, Mukim Simpang Kanan, Daerah Batu Pahat, 83000 Batu Pahat, Johor Darul Takzim.	01.01.2014	31.12.2014	Licence must be displayed at all times.	Complied
65.	LS1001838	Majlis Perbandaran Batu Pahat	Licence to operate theme park at Lot MLO 138 & Lot PTD 11383, Mukim Simpang Kanan, Daerah Batu Pahat, 83000 Batu Pahat, Johor Darul Takzim.	01.01.2014	31.12.2014	Licence must be displayed at all times.	Complied
66.	L10002621	Majlis Perbandaran Batu Pahat	Licence to operate business of F&B at Lot MLO 138 & Lot PTD 11383, Mukim Simpang Kanan, Daerah Batu Pahat, 83000 Batu Pahat, Johor Darul Takzim.	01.01.2014	31.12.2014	Licence must be displayed at all times.	Complied
67.	L10002622	Majlis Perbandaran Batu Pahat	Licence to sell souvenir at Lot MLO 138 & Lot PTD 11383, Mukim Simpang Kanan, Daerah Batu Pahat, Bukit Pasir, 83000 Batu Pahat, Johor Darul Takzim.	01.01.2014	31.12.2014	Licence must be displayed at all times.	Complied
68.	B10000029	Majlis Perbandaran Batu Pahat	Licence for billboard in front of Wet World at Lot MLO 138 & Lot PTD 11383, Mukim Simpang Kanan, Daerah Batu Pahat, 83000 Batu Pahat, Johor Darul Takzim.	01.01.2014	31.12.2014	Licence must be displayed at all times.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
69.	L0501639 03774	Majlis Perbandaran Bentong	Licence to operate restaurant at JR Curry, Lot F/L2.9, Level T2, First World Hotel, 69000 Genting Highlands, Pahang Darul Makmur.	20.11.2013	31.12.2014	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
70.	MY-AR 5372	IQNET and SIRIM QAS International Sdn Bhd	MS 1480:2007 Food Safety System Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlets (JR Curry), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlets (JR Curry) at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	-	Not applicable

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
71.	AR5372	SIRIM QAS International Sdn Bhd	MS 1480:2007 Food Safety According to Hazard Analysis and Critical Control Point (HACCP) System (First Revision) Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlets (JR Curry), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlets (JR Curry at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	During the validity period of certificate, the certificate holder agrees to continue to carry out <i>bona fide</i> business and at all times comply with all statutory requirements applicable to its scope of operation.	Complied
72.	MY-AR 5373	IQNET and SIRIM QAS International Sdn Bhd	ISO 22000:2005 Food Safety Management Systems Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlets (JR Curry), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlets (JR Curry) at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	-	Not applicable

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
73.	AR5373	SIRIM QAS International Sdn Bhd	ISO 22000:2005 Food Safety Management Systems Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlets (JR Curry), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlets (JR Curry) at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	During the validity period of certificate, the certificate holder agrees to continue to carry out <i>bona fide</i> business and at all times comply with all statutory requirements applicable to its scope of operation.	Complied
74.	GMP 015	SIRIM QAS International Sdn Bhd	MS 1514:2009 Good Manufacturing Practice (GMP) for Food (First Revision) Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlets (JR Curry), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlets (JR Curry) at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	-	Not applicable
75.	J04P3130529-006288	Ministry of Health	Certificate of registration for food premise at MLO 138, Jalan Bukit Pasir, Tasek Merdeka, 83000 Batu Pahat, Johor Darul Takzim.	23.04.2014	29.05.2016	-	Not applicable

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
76.	C01P3130529-006808	Ministry of Health	Certificate of registration for food premise at Lot F/L 2.9, Level T2, First World Hotel, Genting Highlands, Pahang Darul Makmur.	22.09.2014	29.05.2016	-	Not applicable
Platinum Paradise							
77.	L050163303745 ^(a)	Majlis Perbandaran Bentong	Business licence for body and spa therapy, facial treatment, pedicure and reflexology services at Pedas Sping, Lot F/L1.17, Level 1, First World Plaza, Genting Highland Resort, 69000 Genting Highlands.	20.11.2013	31.12.2014	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
78.	L050164003773	Majlis Perbandaran Bentong	Licence to operate business of F&B at Eastcourt, Lot G/LG 16.00, Lower Ground, Genting Hotel, Genting Highlands 69000 Pahang Darul Makmur.	20.11.2013	31.12.2014	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
79.	L050184204820	Majlis Perbandaran Bentong	Licence to operate business of F&B at Eastcourt, Lot F/L2B.1 Level 2B, First World Plaza, Genting Highlands 69000 Pahang Darul Makmur.	08.07.2014	06.07.2015	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
80.	I050137801542	Majlis Perbandaran Bentong	Licence to display advertisement and signboard "WellCare Clinic" at Lot F/L1M.2, Level TIM, First World Plaza, Genting Highlands, 69000 Pahang Darul Makmur.	08.01.2014	31.12.2014	The advertisement shall be displayed in accordance with the example approved.	Complied
81.	L050163803769	Majlis Perbandaran Bentong	Licence to operate business of F&B, Shanghai 10 at Lot F/L2.1, Level T2, First World Plaza, Genting Highlands, 69000 Pahang Darul Makmur.	20.11.2013	31.12.2014	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
82.	L050180004530	Majlis Perbandaran Bentong	Business licence to operate reflexology and beauty centre at Healing Touch, Lot G/L 1.15, Level 1, Genting Hotel, 69000 Genting Highlands, Pahang Darul Makmur.	16.04.2014	15.04.2015	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
83.	L050165603869 ^(a)	Majlis Perbandaran Bentong	Business licence to operate children spa centre at Jungle Gym Kidz Fun Spa & Adventure Playland, Lot F/L 1.17A, Level 1, First World Hotel, Genting Highlands Resort, 69000 Genting Highlands, Pahang Darul Makmur.	20.11.2013	31.12.2014	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
84.	L050163703768	Majlis Perbandaran Bentong	Business licence to operate a restaurant at Richdad, F/L1.20, Level 1, First World Plaza, First World Hotel, Genting Highlands, Pahang Darul Makmur.	20.11.2013	31.12.2014	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
85.	L050184104819	Majlis Perbandaran Bentong	Business licence to operate a cafe at Richdad, G/LG17.00, Genting Grand Hotel, Genting Highlands, Pahang Darul Makmur.	08.07.2014	06.07.2015	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
86.	L050149803072	Majlis Perbandaran Bentong	Business licence to operate hair saloon, facial treatment and health centre at Healing Touch, Lot F/L1.6, Level T1, First World Plaza, Genting Highlands, Pahang Darul Makmur.	20.11.2013	31.12.2014	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
87.	L050144502817	Majlis Perbandaran Bentong	Business licence to operate restaurant at Hot Pot, Lot F/L2A-30, Level T2A, First World Hotel Plaza, 69000 Genting Highlands, Pahang Darul Makmur.	20.11.2013	31.12.2014	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
88.	L050154703257	Majlis Perbandaran Bentong	Business licence to operate hair saloon at Beauty First Hair Saloon, Lot F/L1.7, Level 1, First World Hotel, 69000 Genting Highlands, Pahang Darul Makmur.	20.11.2013	31.12.2014	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
89.	L050165503868 ^(e)	Majlis Perbandaran Bentong	Business licence to operate saloon at Pedas Salon, Lot 1.17, Level 1, First World Plaza, Genting Highland Resort, 69000 Genting Highlands, Pahang Darul Makmur.	20.11.2013	31.12.2014	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
90.	G050109100750	Majlis Perbandaran Bentong	Business licence to operate food stall at Noodle & Lok Lok, Lot F/L2B.Stall9A, First World Hotel, 69000 Genting Highlands, Pahang Darul Makmur.	08.09.2014	31.12.2014	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
91.	L050140702663	Majlis Perbandaran Bentong	Business licence to operate reflexology centre Healing Touch at Lot F/L2A.1, Level 2A First World Plaza, 69000 Genting Highlands, Pahang Darul Makmur.	20.11.2013	31.12.2014	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
92.	OU1030520110001	Majlis Bandaraya Shah Alam	Licence to display illuminated and non-illuminated advertisements (office) at No.10, Jalan Pelukis U1/46, Temasya Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan.	24.12.2013	31.12.2014	-	Not applicable
93.	OU1040120100015	Majlis Bandaraya Shah Alam	Licence for illuminated and non-illuminated advertisement, restaurant and shaft at No.10 Jalan Pelukis U1/46, Temasya Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan.	24.12.2013	31.12.2014	-	Not applicable

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
94.	230601-07174-11	Ketua Pengarah Kesihatan Malaysia	Certificate to establish or maintain or operate or provide a private medical clinic at WellCare Clinic, Lot F/L1M2, Level T1M, First World Plaza, 69000 Genting Highlands, Pahang Darul Makmur.	08.03.2013	From 27.03.2013 with no expiry date	-	Not applicable
95.	3335 / 2013	Majlis Perubatan Malaysia	Certificate for the registered medical practitioner to carry out medical services to the public at WellCare Clinic.	04.10.2013	31.12.2014	-	Not applicable
96.	L050184004818	Majlis Perbandaran Bentong	Licence to operate food/soft drinks and snack counter at at QiQi, Lot G/LG5.00, Genting Grand Hotel, Genting Highlands Resort, 69000 Genting Highlands, Pahang Darul Makmur.	16.07.2014	06.07.2015	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
97.	L050177004354	Majlis Perbandaran Bentong	Licence to operate business at QiQi Taiwan Snacks of drinks and snacks counter at Lot G/LG13.00, Lower Ground, Genting Hotel, 69000 Genting Highlands, Pahang Darul Makmur.	27.06.2014	26.06.2015	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
98.	L050182104628	Majlis Perbandaran Bentong	Business licence to operate restaurant at QiQi Taiwan Cuisine, Lot F/L2.A.30A, Level 2A, First World Plaza, First World Hotel, Genting Highlands Resort, 69000 Genting Highlands, Pahang Darul Makmur.	03.09.2014	26.09.2015	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
99.	L050178904453	Majlis Perbandaran Bentong	Licence to operate business of F&B at HERE, G/LG20.00, Lower Ground, Genting Hotel, 69000 Genting Highlands.	17.12.2013	20.12.2014	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
100.	LOU1130320120001	Majlis Bandaraya Shah Alam	Licence to display illuminated advertisement at No.10 Jalan Pelukis UI/46, Temasya Industrial Park, Seksyen UI, 40150 Shah Alam, Selangor Darul Ehsan.	24.12.2013	31.12.2014	-	Not applicable
101.	07/168145	Public Performance Malaysia Sdn Bhd ("PPM")	Public performance licence to perform or cause to be performed publicly any or all of the sound recordings, music videos and/or karaoke controlled by PPM in Malaysia at The Foodtree Restaurant, Lot 10, Jalan Pelukis UI/46, Section UI, Temasya Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan.	-	From 01.01.2014 to 31.12.2014	(i) This licence shall not authorise the Licensee to infringe any copyright in the sound recordings, music videos, karaokes and/or any other subject matter comprised herein. (ii) The licensee shall notify PPM of any changes in the licensee's business operations within fourteen (14) days of such change occurring.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
102.	07/RPM00803	PPM on behalf of Recording Performers Malaysia Sdn Bhd ("RPM")	Public performance licence to perform or cause to perform publicly any or all of the sound recordings performances of RPM members in Malaysia at The Foodtree Restaurant, Lot 10, Jalan Pelukis UI/46, Section U1, Temasya Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan.	-	From 01.12.2014 to 31.12.2014	<p>(i) This licence shall not authorise the Licensee to infringe any copyright subsisting in RPM member's performances, sound recordings, music videos, karaokes and/or any other subject matter comprised herein.</p> <p>(ii) The licensee shall notify PPM of any changes in the licensee's business operations within fourteen (14) days of such change occurring.</p> <p>(iii) The licensee shall notify PPM of any changes in the licensee's business operations within fourteen (14) days of such change occurring.</p>	Complied
103.	JAKIM/(S)/(22.00)/492/2/2 021-06/2013	Department of Islamic Development Malaysia	MS 1500:2009 Halal Certification of Authentication at Food Tree Restaurant, No. 10, Jalan Pelukis UI/46, Section U1, Temasya Industrial Park, Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan.	01.12.2013	30.11.2015	<p>(i) The certificate shall not be traded, transferred nor shall its content be altered.</p> <p>(ii) Any changes to name or address of the company, factory or premise, name of the product, ingredients, suppliers or anything related shall be informed in writing to the Director General of the Department of Islamic Development of Malaysia (JAKIM).</p> <p>(iii) The certificate holder shall exhibit the Logo on the product of the approved premise as stated in the certificate.</p>	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
104.	156681	Pejabat Daerah Bentong	Public house/beer house licence to sell by retail intoxicating liquor at Restaurant Here, Lot G/LG20.00, Lower Ground, Genting Hotel, Genting Highlands Resort, 69000 Genting Highlands.	25.06.2014	From 01.07.2014 to 31.12.2014	-	Not applicable
105.	MY-AR 5370	IQNET and SIRIM QAS International Sdn Bhd	MS 1480:2007 Food Safety System Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlets (Jia, East Court First World, Richdad, eastcourt, Pedas Cafe, Shanghai 10, Hot Pot), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlets (Jia, East Court First World, Richdad, Eastcourt, Pedas Cafe, Shanghai 10, Hot Pot) at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	-	Not applicable

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
106.	AR5370	SIRIM QAS International Sdn Bhd	MS 1480:2007 Food Safety According to Hazard Analysis and Critical Control Point (HACCP) System (First Revision) Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlets (Jia, East Court First World, Richdad, eastcourt, Pedas Cafe, Shanghai 10, Hot Pot), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlets (Jia, East Court First World, Richdad, Eastcourt, Pedas Cafe, Shanghai 10, Hot Pot) at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	During the validity period of certificate, the certificate holder agrees to continue to carry out <i>bona fide</i> business and at all times comply with all statutory requirements applicable to its scope of operation.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
107.	MY-AR 5371	IONET and SIRIM QAS International Sdn Bhd	ISO 22000:2005 Food Safety Management System Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlets (Jia, East Court First World, Richdad, eastcourt, Pedas Cafe, Shanghai 10, Hot Pot), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlets (Jia, East Court First World, Richdad, Eastcourt, Pedas Cafe, Shanghai 10, Hot Pot) at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	-	Not applicable

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
108.	AR5371	SIRIM QAS International Sdn Bhd	ISO 22000:2005 Food Safety Management System Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlets (Jia, East Court First World, Richdad, eastcourt, Pedas Cafe, Shanghai 10, Hot Pot), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlets (Jia, East Court First World, Richdad, Eastcourt, Pedas Cafe, Shanghai 10, Hot Pot) at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	During the validity period of certificate, the certificate holder agrees to continue to carry out <i>bona fide</i> business and at all times comply with all statutory requirements applicable to its scope of operation.	Complied
109.	No. MBSA:CF 01039	Majlis Bandaraya Shah Alam	Certificate of Completion and Compliance issued for one (1) storey warehouse, showroom and office space, one (1) electrical substation at ground floor, warehouse space, exhibition space and offices on the first floor, one (1) unit guard house and one (1) unit of garbage area at Jalan Pelukis UI/46, Section UI.	14.06.2007	-	-	Not applicable

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
110.	GMP 014	SIRIM QAS International Sdn Bhd	MS 1514:2009 Good Manufacturing Practice (GMP) for Food (First Revision) Certificate for food court management covering the provision and maintenance of facilities for the preparation and sales of the food by outlets (Jia, East Court First World, Richdad, eastcourt, Pedas Cafe, Shanghai 10, Hot Pot), receipt of raw materials, preparation, cooking of food up to serving to customers by the outlets (Jia, Bak Kut Teh (now known as eastcourt), Richdad, Eastcourt, Pedas Cafe, Shanghai 10, Hot Pot) at First World Plaza, Times Square, 69000 Genting Highlands, Pahang Darul Makmur.	19.02.2014	From 19.02.2014 to 25.11.2016	-	Not applicable
111.	C01P3130522-006763	Ministry of Health	Certificate of registration for food premise at Lot F/L 1.20, Level 1, First World Hotel, 69000 Genting Highlands, Pahang Darul Makmur.	18.09.2014	22.05.2016	-	Not applicable
112.	C01P3130522-006764	Ministry of Health	Certificate of registration for food premise at Lot F/L 2.1, Level 2, First World Plaza, 69000 Genting Highlands, Pahang Darul Makmur.	14.07.2014	22.05.2016	-	Not applicable

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
113.	C01P3130522-006765	Ministry of Health	Certificate of registration for food premise at Lot F/L 2A.30, Level T2A, First World Plaza, 69000 Genting Highlands, Pahang Darul Makmur.	14.07.2014	22.05.2016	-	Not applicable
114.	C01P3130522-006766	Ministry of Health	Certificate of registration for food premise at Lot G/LG 13.00, Lower Ground, Genting Hotel, Genting Highlands, Pahang Darul Makmur.	14.07.2014	22.05.2016	-	Not applicable
115.	C01P3130522-006767	Ministry of Health	Certificate of registration for food premise at Lot G/LG 20.00, Lower Ground, Genting Hotel, Genting Highlands, Pahang Darul Makmur.	14.07.2014	22.05.2016	-	Not applicable
116.	L-0501814	Majlis Perbandaran Bentong	Business licence to provide catering services at Lot F/L 1.17, Level 1, First World Plaza, 69000 Genting Highlands, Pahang Darul Makmur.	12.09.2014	11.09.2015	(i) Licence must be displayed at all times. (ii) Licence must be renewed prior to 30 th January of every year. (iii) The company must inform Majlis Perbandaran Bentong in the event of termination of the company's business.	Complied
The Wet World							
117.	25006312014	Dewan Bandaraya Kuala Lumpur	Business licence and signage licence to operate Playland and Cafe at Lot 4.10, 4.10A, 4.11 & 4.12, 4 th Floor, Bangsar Shopping Centre, No. 285 Jalan Maarof, Bukit Bandaraya 59000 Kuala Lumpur.	01.01.2014	31.12.2014	(i) The Company must submit a copy of the letter of approval of the building plan/renovation plan issued by the building department. (ii) Licence must be renewed every year and sixty (60) days before the expiration of the licence. (iii) The Company must always ensure that the agreement in relation to the premise is valid.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
118.	L180000097207	Majlis Bandaraya Petaling Jaya	Business and signage licence to operate a recreation centre and displaying a horizontal and illuminated signage at Lot SK6A, 2 nd Floor, 1 Utama Shopping Centre, Lebuh Bandar Utama, Bandar Utama, 47800 Petaling Jaya.	04.04.2014	31.12.2014	Licence must be displayed at the premise.	Complied.
119.	L230000088741	Majlis Bandaraya Petaling Jaya	Food establishment licence to operate a café at Lot SK6A, 2 nd Floor, 1 Utama Shopping Centre, Lebuh Bandar Utama, Bandar Utama, 47800 Petaling Jaya.	04.04.2014	31.12.2014	Licence must be displayed at the premise.	Complied.
120.	DBKL.JPPP/KM01/1536/07/2013	Dewan Bandaraya Kuala Lumpur	Business licence to operate a restaurant and skating ring at RT-001 Level 7, Endah Parade, No. 1 Jalan 1/149E, Bandar Baru Sri Petaling, 57000 Kuala Lumpur.	23.04.2013	31.03.2015	(i) The Company must submit a copy of the letter of approval of the building plan/renovation plan issued by the building department. (ii) Licence must be renewed every year and sixty (60) days before the expiration of the licence. (iii) The Company must always ensure that the agreement in relation to the premise is valid.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence no. / Certificate no. / Registration no. / Reference no. / Serial no.	Issuing authority	Subject matter / Purpose	Issue / Renewal date	Expiry date / Validity period	Major conditions imposed	Status of compliance
121.	DBKLJPPP/IK01/5702/06/2014	Dewan Bandaraya Kuala Lumpur	Business and signage licence to operate a restaurant and skating ring at RT-001 Level 7, Endah Parade, No. 1 Jalan 1/149E, Bandar Baru Sri Petaling, 57000 Kuala Lumpur.	19.06.2014	From 09.06.2014 to 08.06.2015	(i) Licences must be displayed at all times. (ii) Licence may be revoked at any time without notice in the event the licence holder shall fail to comply with the licensing rules and regulations. (iii) Licence must be renewed every year and sixty (60) days before the expiration of the licence. (iv) The licence holder is prohibited from selling, displaying item that are obscene or pornographic in nature or any other items which are prohibited by law.	Complied

Notes:

- * Save as disclosed above, all food premises owned and / or operated by our Group have been registered with the Ministry of Health and are waiting for the Food Hygiene Certificates to be issued.
- (a) As at the date hereof, the landlord and our Group are still negotiating on the suitable premises for the relocation of the respective retail outlets as a result of Upgrading & Development Works.

6. BUSINESS OVERVIEW (Cont'd)

Our Group has applied for the business licences and certification for the following outlets. As at the LPD, the status of applications is as follows:

No.	Applicant	Issuing authority	Outlet	Application date	Subject matter / Purpose	Status of application
1.	KCK	Department of Islamic Development Malaysia	Centralised Kitchen Facility	21.07.2014	Application for registration of MS 1500:2009 Halal Certification of Authentication at No.10, Jalan Pelukis U1/46, Seksyen U1, Temasya Industrial Park, Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan.	Pending for approval
2.	Kota Tinggi Resorts	Personal Data Protection Commissioner	Kota Tinggi Waterfall Resorts	20.05.2014	Application for registration as a data user to process personal data at a tourist accommodation premise at PTID 10930, KM16, Jalan Lombong, 81900 Kota Tinggi, Johor Darul Takzim.	Pending for approval

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. **BUSINESS OVERVIEW (Cont'd)**

6.17 **Property, Plant and Equipment**

6.17.1 **Properties Owned by Our Group**

As at the LPD, our Group owns the following landed properties:

- (i) a developer-designed warehouse complex located at No. 10, Jalan Pelukis U1/46, Temasya Industrial Park, Section U1, 40150 Shah Alam, Selangor Darul Ehsan ("**Warehouse Complex**");
- (ii) an intermediate double storey terraced house located at No. 46, Jalan Polis U1/55, Temasya Suria, Section U1, 40150 Shah Alam, Selangor Darul Ehsan ("**Intermediate Double Storey Terraced House A**"); and
- (iii) an intermediate double storey terraced house located at No. 16, Jalan Jururancang U1/61B, Temasya Suria, 40150 Shah Alam, Selangor Darul Ehsan ("**Intermediate Double Storey Terraced House B**").

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. BUSINESS OVERVIEW (Cont'd)

The summary of the information on the above mentioned properties are set out below:

	Warehouse Complex	Intermediate Double Storey Terraced House A	Intermediate Double Storey Terraced House B
Registered owner	Platinum Paradise	KCK	KCK
Lot number	Lot 52806	Lot 53031	Lot 64323
Title number	GRN 77798	GRN 144768	GRN 277157
Bandar / Pekan / Mukim	Bandar Glenmarie	Bandar Glenmarie	Bandar Glenmarie
District and state	District of Petaling, Selangor Darul Ehsan	District of Petaling, Selangor Darul Ehsan	District of Petaling, Selangor Darul Ehsan
Address	No. 10, Jalan Pehkis U1/46, Temasya Industrial Park, Section U1, 40150 Shah Alam, Selangor Darul Ehsan	No. 46, Jalan Polis U1/55, Temasya Suria, Section U1, 40150 Shah Alam, Selangor Darul Ehsan	No. 16, Jalan Jururancang U1/61B, Temasya Suria, 40150 Shah Alam, Selangor Darul Ehsan
Brief description	A developer-designed warehouse complex built on a piece of freehold industrial land measuring 2.6503 acres which comprises a double storey office building, a two storey warehouse annexed, a refuse chamber and a guardhouse	An intermediate double storey terraced house	An intermediate double storey terraced house
Date of issuance of certificate of fitness for occupation	14 June 2007	12 July 2010	12 July 2010
Tenure	Term in perpetuity (freehold)	Term in perpetuity (freehold)	Term in perpetuity (freehold)
Surveyed land area	10,725.00 square metres	312.00 square metres	250.00 square metres
Gross floor area	7,357.12 square metres	427.90 square metres	392.55 square metres
Existing usage	Corporate office of our Group, warehouse, operation of a centralised kitchen facility and a food service outlet	Hostel for our Group's employees	Hostel for our Group's employees
Audited net book value as at 30 June 2014	RM30,063,278	RM1,784,000	RM1,680,656
Market value appraised by the Independent Valuer	RM30,500,000 ^(d)	RM1,800,000 ^(d)	Not applicable ^(e)
Net revaluation surplus	RM436,722 ^(d)	RM16,000 ^(d)	Not applicable
Encumbrances	Charged to Public Bank Berhad ^(e)	Charged to Public Bank Berhad ^(e)	Charged to Public Bank Berhad ^(e)

6. BUSINESS OVERVIEW (Cont'd)*Notes:*

- (a) *The Independent Valuer had conducted a valuation on the Warehouse Complex on 29 June 2012 and the market value of the Warehouse Complex was RM30,500,000. Subsequently, the Independent Valuer had conducted an updated valuation on the Warehouse Complex on 23 August 2013 and the market value of the Warehouse Complex remained unchanged.*
- (b) *The Independent Valuer had conducted a valuation on the Intermediate Double Storey Terraced House A on 29 June 2012 and the market value of the Intermediate Double Storey Terraced House A was RM1,800,000. Subsequently, the Independent Valuer had conducted an updated valuation on the Intermediate Double Storey Terraced House A on 23 August 2013 and the market value of the Intermediate Double Storey Terraced House A remained unchanged.*
- (c) *A valuation was not conducted on the Intermediate Double Storey Terraced House B as the property was purchased by KCK on 18 September 2012 for a consideration of RM1,630,000.*
- (d) *Computed based on the market value appraised by the Independent Valuer as at 23 August 2013, less the audited net book value of the properties as at 30 June 2014. The net surplus was not adjusted in the audited financial statements of Platinum Paradise and KCK for the FYE 30 June 2014.*
- (e) *It should be noted that PIVB is a wholly-owned subsidiary of Public Bank Berhad. Public Bank Berhad, has in its ordinary course of business, granted credit facilities to our Group. Notwithstanding that, PIVB is of the view that the aforementioned extension of credit facilities does not result in a conflict of interest situation as the total credit facilities granted to our Group are not material when compared to the audited total assets of Public Bank Berhad as at 31 December 2013.*

None of the existing use of the abovementioned properties breached any other relevant laws, regulations, rules and requirements in relation to land and buildings.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. BUSINESS OVERVIEW (Cont'd)

6.17.2 Properties Rented by Our Group for Operation Purposes

A summary of rented premises of our Group as at the date hereof is set out below:

No.	Tenant	Postal address	Description	Approximate rented floor area	Tenure of tenancy / lease
1.	Believe It Or Not	Lot F/L2A.19A, Level 2A First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of the family attractions which include: (i) <i>RIPLEY'S Believe It or Not</i> ; (ii) <i>HAUNTED ADVENTURE</i> ; and (iii) one (1) <i>DigiPhoto</i> kiosk.	21,218 sq. ft.	01.12.2014 to 30.11.2015
2.	Believe It Or Not	Genting Skyway Genting Skyway Building Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located at the upper and lower Genting Skyway cable car terminals for the operation of two (2) <i>DigiPhoto</i> kiosks.	300 sq. ft.	01.10.2014 to 30.09.2016
3.	Believe It Or Not	At the exits of Snow World at Level 2A First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur.	Retail lots located within the building for the operation of one (1) <i>DigiPhoto</i> kiosk.	200 sq. ft.	01.01.2012 to 31.12.2014
4.	Believe It Or Not	Lot F/LB8.18, Level B8 First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Storage facility located within the building for the storage of display items for the family attraction known as <i>RIPLEY'S Believe It or Not</i> .	390 sq. ft.	26.01.2013 to 30.11.2014 ^(e)

6. BUSINESS OVERVIEW (Cont'd)

No.	Tenant	Postal address	Description	Approximate rented floor area	Tenure of tenancy / lease
5.	Dunia Setulin	Lot G/LG21.00 Genting Grand Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a food service outlet known as <i>Marrybrown</i> .	5,600 sq. ft.	14.09.2014 to 31.05.2017
6.	Dunia Setulin	Lot F/L2.19 Level T2 First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a food service outlet known as <i>Marrybrown</i> .	1,898 sq. ft.	01.12.2014 to 30.11.2015
7.	Dunia Setulin	Lot F/LB8.1 Level B8 First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Storage facility located within the building for the storage of stock or inventory items for the food service outlet known as <i>Marrybrown</i> .	450 sq. ft.	15.02.2012 to 30.11.2014 ^(b)
8.	Kota Tinggi Resorts	PTD 10930 Batu 10 KM 16 Jalan Lombong 81900 Kota Tinggi Johor Darul Takzim	A resort known as <i>Kota Tinggi Waterfalls Resort</i> which includes a food service outlet known as <i>RICHADAD</i> .	38 acres*	Thirty (30) years from the date of registration of a lease over the land ^(b)
9.	Only Mee	GF-27 & GF-27A Ground Floor SACC Mall Jalan Perbadanan 14/9 Pusat Bandar Shah Alam 40000 Shah Alam Selangor Darul Ehsan	Retail lot located within the building for the operation of a food service outlet known as <i>Only Mee</i> .	1,251 sq. ft.	29.09.2014 to 28.09.2017

6. BUSINESS OVERVIEW (Cont'd)

No.	Tenant	Postal address	Description	Approximate rented floor area	Tenure of tenancy / lease
10.	Only Mee	Lot No. L1 L01, Level 1 Arrival Concourse Kuching International Airport	Retail lot located within the building for the operation of a food service outlet known as <i>Only Mee</i> .	2,479 sq. ft.	01.08.2012 to 31.07.2015
11.	Only Mee	Lot F/L2.9A, Level T2 First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a food service outlet known as <i>Only Mee</i> .	1,022 sq. ft.	01.02.2014 to 31.05.2015
12.	Only Mee	Lot F/LB8.26 Level B8 First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Storage facility located within the building for the storage of stock or inventory items for the food service outlet known as <i>Only Mee</i> .	246 sq. ft.	01.02.2014 to 31.05.2017
13.	Magnificent Empire	Lot F/L1.1 Level T1 First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Booth located within the building for the operation of a food service outlet known as <i>1 Meter Teh</i> .	577 sq. ft.	01.06.2014 to 31.05.2017
14.	Magnificent Empire	Lot F/L 2AM.1 Level 2AM First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a food service outlet known as <i>Only Easy Store</i> .	644 sq. ft.	27.07.2014 to 30.11.2015

6. BUSINESS OVERVIEW (Cont'd)

No.	Tenant	Postal address	Description	Approximate rented floor area	Tenure of tenancy / lease
15.	Magnificent Empire	Lot F/L2.C4 First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of one (1) food service outlet known as <i>Market Food Street</i> .	80 sq. ft.	26.07.2014 to 30.11.2015
16.	Magnificent Empire	Lot F/L2.C5 First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of one (1) food service outlet known as <i>Market Food Street</i> .	80 sq. ft.	26.07.2014 to 30.11.2015
17.	Magnificent Empire	F/LB8.4A Level B8 First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Storage facility located within the building for the storage of stock or inventory items for the food service outlet known as <i>Market Food Street</i> .	400 sq. ft.	01.06.2014 to 31.05.2015
18.	Magnificent Empire	Lot G/LG6.00 Genting Grand Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a food service outlet known as <i>EASY STORE</i> .	513 sq. ft.	26.07.2014 to 31.05.2017
19.	Mercu Jutaan	Taman Tema Air Wet World No.3A, Persiaran Dato' Menteri Seksyen 14 40000 Shah Alam Selangor Darul Ehsan	A water amusement park known as <i>Wet World Water Park Shah Alam</i> which includes a food service outlet known as <i>Only Mee</i> .	6 acres*	01.01.2010 to 31.12.2029

6. BUSINESS OVERVIEW (Cont'd)

No.	Tenant	Postal address	Description	Approximate rented floor area	Tenure of tenancy / lease
20.	Pedas Hot Spring	Lot 603 Mukim Pedas 71400 Pedas Negeri Sembilan Darul Khusus	A water amusement park known as <i>Wei World Air Panas Pedas Resort</i> which includes a food service outlet known as <i>RICHADAD</i> .	12.5 acres*	22.06.1996 to 21.06.2056
21.	Platinum Attractions	No. Lot MLO 138 & PTD 11383 Mukim Simpang Kanan Daerah Batu Pahat 83000 Batu Pahat Johor Darul Takzim	A water amusement park known as <i>Wei World Batu Pahat Village Resort</i> which includes a food service outlet known as <i>RICHADAD</i> .	37.9 acres*	29.05.1993 to 29.05.2023
22.	Platinum Attractions	Lot F/L2.9 Level 2 First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a food service outlet known as <i>jR CURRY</i> .	3,659 sq. ft.	01.02.2013 to 30.11.2015
23.	Platinum Attractions	Lot F/LB8.14 Level B8 First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Storage facility located within the building for the storage of stock or inventory items for the food service outlet known as <i>jR CURRY</i> .	348 sq. ft.	01.02.2013 to 30.11.2015
24.	Platinum Paradise	Lot F/L2B Stall No. 9A Level 2B First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a food service outlet known as <i>Noodle & Lok Lok</i> .	250 sq. ft.	28.07.2014 to 30.11.2015

6. BUSINESS OVERVIEW (Cont'd)

No.	Tenant	Postal address	Description	Approximate rented floor area	Tenure of tenancy / lease
25.	Platinum Paradise	Lot F/L2B.1 First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a food service outlet known as <i>eastcourt</i> .	5,377 sq. ft.	28.06.2014 to 30.11.2015
26.	Platinum Paradise	G/LG17.00 Genting Grand Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a food service outlet known as <i>RICHADAD</i> .	487 sq. ft.	26.07.2014 to 31.05.2017
27.	Platinum Paradise	Lot F/L2.1 Level 2 First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a food service outlet known as <i>Shanghai 10</i> .	2,190 sq. ft.	01.12.2014 to 31.05.2015
28.	Platinum Paradise	Lot F/LB8.16 Level B8 First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Storage facility located within the building for the storage of stock or inventory items for the food service outlet known as <i>Shanghai 10</i> .	388 sq. ft.	01.12.2011 to 30.11.2014 ⁽⁶⁾
29.	Platinum Paradise	Lot F/L2A.30 Level T2A First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a food service outlet known as <i>HOT POT</i> .	3,023 sq. ft.	01.03.2014 to 31.05.2015

6. BUSINESS OVERVIEW (Cont'd)

No.	Tenant	Postal address	Description	Approximate rented floor area	Tenure of tenancy / lease
30.	Platinum Paradise	Lot F/LB8.17 Level B8 First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Storage facility located within the building for the storage of stock or inventory items for the food service outlet known as <i>HOT POT</i> .	388 sq. ft.	01.03.2014 to 31.05.2015
31.	Platinum Paradise	Lot G/LG16.00 Lower Ground Genting Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a food service outlet known as <i>eastcourt</i> .	750 sq. ft.	01.06.2014 to 31.05.2015
32.	Platinum Paradise	Lot G/LG13.00 Lower Ground Genting Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a food service outlet known as <i>QiQi Taiwan Snacks</i> .	920 sq. ft.	01.01.2013 to 30.11.2015
33.	Platinum Paradise	Lot G/LG20.00 Lower Ground Genting Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a food service outlet known as <i>HERE</i> .	12,020 sq. ft.	18.10.2013 to 31.05.2016
34.	Platinum Paradise	Lot F/LIM.2 Level TIM First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a retail service outlet known as <i>WellCare Clinic</i> .	1,470 sq. ft.	01.06.2014 to 31.05.2015

6. BUSINESS OVERVIEW (Cont'd)

No.	Tenant	Postal address	Description	Approximate rented floor area	Tenure of tenancy / lease
35.	Platinum Paradise	Lot F/L2A.1 Level 2A First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a retail service outlet known as <i>HEALING TOUCH</i> which provides foot reflexology services.	2,110 sq. ft.	01.12.2014 to 31.05.2015
36.	Platinum Paradise	Lot F/L2A.30A, Level 2A First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a food service outlet known as <i>QiQi Taiwan Cuisine</i> .	1,967 sq. ft.	08.08.2013 to 31.05.2016
37.	Platinum Paradise	Lot G/L1.15 Level 1 Genting Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a retail service outlet known as <i>HEALING TOUCH</i> which provides foot reflexology services.	1,150 sq. ft.	01.10.2013 to 31.05.2016
38.	Platinum Paradise	Lot F/L1.7 Level 1 First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a retail service outlet known as <i>BEAUTY FIRST HAIR SALON</i> .	353 sq. ft.	16.11.2012 to 31.05.2015
39.	Platinum Paradise	Lot F/L1.6 Level T1 First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a retail service outlet known as <i>HEALING TOUCH</i> which provides foot reflexology services.	998 sq. ft.	01.06.2014 to 31.05.2015

6. BUSINESS OVERVIEW (Cont'd)

No.	Tenant	Postal address	Description	Approximate rented floor area	Tenure of tenancy / lease
40.	Platinum Paradise	Lot G/LG5.00 Genting Grand Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a food service outlet known as <i>QIqi</i> .	130 sq. ft.	26.07.2014 to 31.05.2017
41.	Platinum Paradise	Lot F/L1.20 Level 1 First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a food service outlet known as <i>RICHADAD</i> .	354 sq. ft.	19.08.2014 to 31.05.2015
42.	The Wet World	Lot 4.10, 4.10A, 4.11 & 4.12, 4 th Floor Bangsar Shopping Centre No. 285 Jalan Maarof Bukit Bandaraya 59000 Kuala Lumpur	Retail lot located within the building for the operation of retail service outlets which includes: (i) <i>Jungle Gym</i> ; and (ii) <i>Roller Sports World</i> .	7,772 sq. ft.	01.11.2014 to 31.10.2017
43.	The Wet World	Lot SK6A 2 nd Floor 1 Utama Shopping Centre Lebuh Bandar Utama Bandar Utama 47800 Petaling Jaya	Retail lot located within the building for the operation of retail service outlet known as <i>Starship Galactica</i> .	3,835 sq. ft.	28.02.2012 to 27.02.2015
44.	The Wet World	RT-001 Level 7 Endah Parade No 1 Jalan 1/149E Bandar Baru Sri Petaling 57000 Kuala Lumpur	Retail lot located within the building for the operation of retail service outlet known as <i>Roller Sports World</i> .	23,899 sq. ft.	01.07.2013 to 30.06.2016

6. BUSINESS OVERVIEW (Cont'd)

A summary of the previous rented premises of our Group that are temporarily closed as a result of the Upgrading & Development Works, where as at the LPD, our Group and the landlord are still negotiating on the suitable premises for relocation is set out below:

No.	Tenant	Previous postal address	Description	Approximate rented floor area	Tenure of tenancy from the previous tenancy agreement
1.	Platinum Paradise	Lot F/L1.17 Level 1 First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of retail service outlets and a food preparation area which includes: (i) <i>PEDAS SPRINGS spa</i> ; (ii) <i>PEDAS SALON</i> ; and (iii) <i>Pedas Cafe</i> .	17,216 sq. ft.	16.02.2014
2.	Platinum Paradise	Lot F/L1.17A. Level 1 First World Plaza First World Hotel Genting Highlands Resort 69000 Genting Highlands Pahang Darul Makmur	Retail lot located within the building for the operation of a service outlet known as <i>Jungle Gym Kidz Spa & Adventure Playland</i> .	4,793 sq. ft.	16.02.2014

For further details, kindly refer to Section 6.2.5 of this Prospectus.

Notes:

* Represents approximate land area.

(a) As at the date hereof, the landlord and our Group are still in the midst of finalising the terms of the renewal of tenancy agreement for the said outlet.

(b) Lease period granted is thirty (30) years with an option to renew for a further thirty (30) years. The lease on the land of which *Kota Tinggi Waterfalls Resort* is situated has not been presented for registration as the title to the said land has been alienated and *Kota Tinggi Resorts* is liaising with the State Government of *Johor* to register the lease in favour of *Kota Tinggi Resorts*.

Based on the table above, more than 80% of our Group's rented properties are located at *Genting Highlands*, where approximately RM10.93 million of total rental was paid to the landlord, being *Genting Malaysia Berhad's* group of companies. For the FYE 30 June 2014, the total rental paid in respect of all the rented properties mentioned above is approximately RM13.16 million.

None of the existing use of the abovementioned properties breached any other relevant laws, regulations, rules and requirements in relation to land and buildings.

6. BUSINESS OVERVIEW (Cont'd)

6.17.3 Plant and Equipment

As at 30 June 2014, the material plant and equipment used and owned by our Group are as follows:

Water Amusement Parks

Plant and equipment	Quantity (unit / set)	Net book value as at 30 June 2014 (RM)
<u>Wet World Water Park Shah Alam:</u>		
Caribbean Rider, Super Hurricane and Thunder River (three (3) individual units)	3	3,886,702
Other plant and equipment ^(a)	9	9
<u>Wet World Air Panas Pedas Resort:</u>		
Kiddie Pool, Lazy River, Spa Pool, Spring Valley and Tower Slide (five (5) individual units)	5	1,209,164
<u>Wet World Batu Pahat Village Resort:</u>		
Big Splash, BP Tower, Dinosaur Pool, Kiddie Pool, Lazy River and Wave Pool (six (6) individual units)	6	1,562,120
Total		6,657,995

Note:

(a) The other plant and equipment comprise of Atlantis City, Big Splash, Cascading Water Fall, Fountain of Youth, Kiddy Pool, Light House, Monsoon Buster Adventure, Neptune Challenge and Tunnel Water Slide.

Save as disclosed above, all other plant and equipment of our Group are individually immaterial to the operation of our Group to be disclosed separately. Our Directors are of the opinion that our Group has sufficient capacity to carry our operations, the details of which are set out in Section 6.3 of this Prospectus.

6.17.4 Material Capital Expenditure and Divestitures

Save as disclosed below, there is no other material capital expenditure incurred for the past three (3) financial years up to the FYE 30 June 2014 and up to the LPD:

Capital expenditure	FYE 30 June 2012 (RM'000)	FYE 30 June 2013 (RM'000)	FYE 30 June 2014 (RM'000)	As at the LPD (RM'000)
<i>Wet World Water Park Shah Alam</i>				
- Phase one (1) renovation and upgrading works	5,010	400	-	-
KOMTAR Tower Revitalisation Project	-	-	17,181	1,012
Food service outlets renovation works	-	1,451	1,019	412

6. BUSINESS OVERVIEW (Cont'd)

6.17.5 Material Plans to Construct, Expand or Improve Facilities

As at the LPD, our Group has no immediate plan to construct, expand or improve on existing facilities, save for the following:

Description	Estimated expenditure amount (RM'000)	Amount already paid as at the LPD (RM'000)	Method of financing	Estimated timeframe for completion from the receipt of IPO proceeds / LPD	Estimated increase in capacity after completion
KOMTAR Tower Revitalisation Project	60,000	- [^]	Utilisation of IPO proceeds, internally generated funds and bank borrowings	Within twenty four (24) months	@
Setting-up total of ten (10) new food service outlets in Putrajaya, Genting Highlands and Penang	10,000	- [*]	Utilisation of IPO proceeds	Within twenty four (24) months	Estimated average capacity of 120 seats per outlet
Phase two (2) renovation & upgrading works of Wet World Water Park Shah Alam	3,000	- [*]	Utilisation of IPO proceeds	Within twenty four (24) months	Not applicable
Food service outlets renovation works	12,600	10,100	Internally generated funds	Within twelve (12) months	Approximately 5% increase in persons seat per outlet

Notes:

[^] As at the LPD, the renovation and refurbishment works of the KOMTAR Tower Revitalisation Project has commenced and internally generated funds of approximately RM18.19 million was used for the payment of the renovation and refurbishment works.

@ The details are set out in Section 6.21.2 of this Prospectus.

* Our Group has yet to commence renovation / upgrading works as at the LPD.

With the completion of these renovation / upgrading works, we will be able to achieve the following objectives:

- To attract patrons to our water amusement parks as well as food service outlets;
- To expand our business coverage and establishment in Malaysia and to diversify our revenue streams;

6. BUSINESS OVERVIEW (Cont'd)

- To expand the range of dining options that we provide and operate at new locations; and
- To develop and achieve the “Fun, Food and Good Living” concept.

The details of material plans are set out in Section 6.21 of this Prospectus.

6.18 Regulatory Requirements and Environmental Issues

6.18.1 Food Industry

The food industry is generally governed by the Food Act, 1983, the 1985 Regulations, and the Food Hygiene Regulations, 2009 (“**2009 Regulations**”) issued thereunder. All food, beverages and edible agricultural products prepared, produced, packaged or sold locally are required to comply with the guidelines and standards as provided in the 1985 Regulations. Any person who contravenes or fails to comply with any provisions of the 1985 Regulations commits an offence, and on conviction, is liable to a fine not exceeding RM5,000.00 or imprisonment for a term not exceeding two (2) years. As disclosed in Section 6.10 of this Prospectus, we have in-house facilities and equipment at our centralised kitchen facility to carry out food safety tests on the food items prepared and we also send samples of food items prepared at our centralised kitchen facility to third party laboratories for independent testing as per the guidelines and standards provided in 1985 Regulations.

Any person desiring to be accredited as a conformity assessment body may, by virtue of the Standards of Malaysia Act, 1996, apply to the Director General of the Department of Standards Malaysia for the grant of an accreditation certificate. As disclosed in Section 6.1.4(b) of this Prospectus, our centralised kitchen facility has obtained the relevant accredited certifications.

Under the 2009 Regulations, no person shall use any food premises specified in the 2009 Regulations for the purpose of, or in connection with the preparation, preservation, packaging, storage, conveyance, distribution or sale of any food unless such food premises are registered under the 2009 Regulations with the Ministry of Health.

Upon registration, a certificate of registration for food premises shall be issued and such certificate of registration will be valid for a period not exceeding three (3) years from the date of its issuance. If such registration is not complied with, a person shall, on conviction be liable to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding two (2) years.

We have, in May 2013, registered all food premises owned and / or operated by our Group with the Ministry of Health. As at the LPD, we are awaiting for the relevant certificates of registration to be issued, save for those food premises disclosed in Section 6.16.6 above.

The 2009 Regulations further provide that a proprietor, owner or occupier of food premises shall not employ or allow any food handler to work in his food premises unless the food handler has undergone a food handlers training and has been medically examined and vaccinated by a registered medical practitioner.

6. BUSINESS OVERVIEW (Cont'd)

In relation to any activity involving the sale of intoxicating liquor, the activities are regulated by the Excise Act, 1976 (“**1976 Act**”). Under the 1976 Act, no person shall sell by retail, or offer for sale by retail, any intoxicating liquor whether for consumption on the premises of the vendor or at the place where they are sold, except under and in accordance with a public house licence and / or a beer house licence. Any person who shall sell intoxicating liquors otherwise than in accordance with the licences issued shall on conviction, be liable to a fine not exceeding RM5,000.

6.18.2 Tourism Industry

The tourism industry is generally governed by the Tourism Industry Act, 1992 (“**1992 Act**”) and the Tourism Industry (Registration, Classification, Reclassification and Rating of Tourist Accommodation Premises) Regulations 2003 (“**Tourism Regulations**”). Under the 1992 Act, any person who carries on or operates accommodation premises shall apply for registration of such premise as tourist accommodation premises with the Ministry of Tourism.

Upon registration, a certificate of registration as a tourist accommodation premise will be issued. The Commissioner of Tourism shall rate the tourist accommodation premises as he deems fit in accordance with the 1992 Act and the Tourism Regulations. Upon determining the rating of the tourist accommodation premises, a certificate of rating which shall be valid for not more than three (3) years will be issued. If such registration is not complied with, a person shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM5,000 or to imprisonment for a term not exceeding three (3) years or to both.

Kota Tinggi Resorts had registered Kota Tinggi Waterfalls Resorts as a tourist accommodation premise and have received a Certificate of Registration as a Tourism Accommodation Premise issued by the Commissioner of Tourism on 2 October 2013.

6.18.3 Privacy Law

Any personal data from the tourists or any other parties through the operation of the tourist accommodation premises must be processed in accordance to the Personal Data Protection Act, 2010 (“**2010 Act**”). Under the 2010 Act, amongst other things, any person who is required to register as a data user shall submit an application for registration with the Personal Data Protection Commissioner. Upon registration, a certificate of registration as a data user will be issued. If such registration is not complied with, a person shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding three (3) years or to both.

In addition, any person who processes personal data is required to comply with the seven (7) principles enunciated under the 2010 Act, which includes the General Principle, the Notice and Choice Principle, the Disclosure Principle, the Security Principle, the Retention Principle, the Data Integrity Principle and the Access Principle. Any breach of these principles may result in imprisonment and fines up to RM500,000.

Kota Tinggi Resorts had submitted an application to the Personal Data Protection Commissioner to register itself as a data user. As at the LPD, Kota Tinggi Resorts is still awaiting the issuance of the certificate of registration.

The management of the personal data of the Group’s employees as well as guest of Kota Tinggi Resorts is set out in the Group’s privacy policy. The Group has taken and continues to take reasonable steps to implement certain measures to ensure that all the principles under the 2010 Act are reasonably complied with.

6. BUSINESS OVERVIEW (Cont'd)

6.18.4 Franchise Business

The sale of any franchise in Malaysia is governed by the Franchise Act, 1998 (“**Franchise Act**”). Under the Franchise Act, all franchise agreements must be prepared in accordance with the requirements of a franchise agreement under the Franchise Act and all franchises must be registered with the Registrar of Franchise, Malaysia. Further, if there is any material change in the disclosure documents submitted to the Registrar of Franchise, Malaysia at the time of registration, such disclosure documents must be amended and filed with the Registrar of Franchise, Malaysia. The Franchise Act also provides that a franchise term shall not be less than five (5) years.

All *Wet World* franchises are sold by our subsidiary. According to the search result provided by the official portal of Franchise Development Division of the Ministry of Domestic Trade, Co-Operatives and Consumerism dated 25 March 2013, the *Wet World* has been registered with the Registrar of Franchise, Malaysia and all amendments to the disclosure documents in relation to the *Wet World* franchise have been filed with the Registrar of Franchise, Malaysia.

As at LPD, our Group has complied with all material regulatory requirements and environmental issues which may materially affect our Group’s business and operations. As at the LPD, the Directors are not aware of any environmental proceedings or investigations to which it may be a party to.

6.19 Seasonality

In general, our business operations experience some seasonality.

Our food services operations, water amusement parks and family attractions typically experience above average business during the following seasons:

- weekends, school holidays and public holidays;
- Chinese New Year festive season;
- Christmas festive season;
- Deepavali festive season; and
- Hari Raya festive season.

6.20 Interruptions in Business

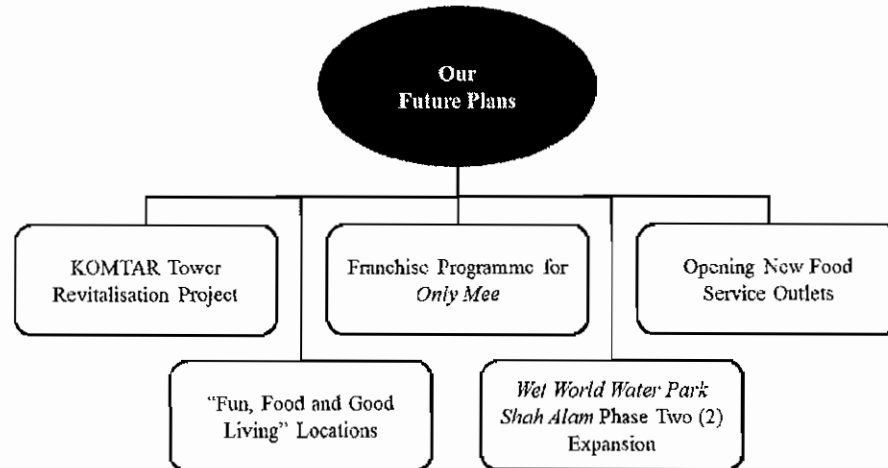
There have been no material interruptions to our business operations during the past twelve (12) months.

6. BUSINESS OVERVIEW *(Cont'd)*

6.21 Future Plans, Strategies and Prospects

6.21.1 Overview of Future Plans

Our future plans are focused on the key areas depicted in the following diagram:



6.21.2 KOMTAR Tower Revitalisation Project

On 19 December 2012, the Penang Development Corporation and World Equipment Sdn Bhd had entered into the respective principal, lease, sub-lease and sub-license agreements, where World Equipment Sdn Bhd will undertake a revitalisation project on the KOMTAR Tower, which is located in the heart of Georgetown, a United Nations Educational, Scientific and Cultural Organisation (UNESCO) World Heritage City. KOMTAR Tower is the tallest building in Penang, comprising a 4+1 level retail podium and a sixty five (65) storey office tower block.

The KOMTAR Tower Revitalisation Project involves the proposed refurbishment and enhancement of all the five (5) specified levels within the KOMTAR Tower to create high end commercial space for retail, F&B and recreational purposes.

On 26 June 2013, Magnificent Empire received a letter from World Equipment Sdn Bhd, informing Magnificent Empire that the Penang Development Corporation, via its letter dated 25 June 2013, has no objection for World Equipment Sdn Bhd to assign and novate its rights and obligations to undertake the KOMTAR Tower Revitalisation Project to Magnificent Empire. The relevant novation agreements between Penang Development Corporation, World Equipment Sdn Bhd and Magnificent Empire were executed on 27 August 2013.

Pursuant to the novation agreements, Magnificent Empire has appointed an appropriate third party main contractor to undertake the renovation and refurbishment works of the KOMTAR Tower Revitalisation Project. Upon completion of the renovation and refurbishment works, Magnificent Empire would focus on the operation and management of the food service outlets and other retail outlets located at the five (5) levels of the refurbished KOMTAR Tower.

6. BUSINESS OVERVIEW (Cont'd)



KOMTAR Tower

Our revitalisation project is intended to increase the overall attractiveness of KOMTAR Tower and create a new tourist attraction. The revitalisation project involves the proposed refurbishment and enhancement of five (5) specified levels to create high end commercial space for retail, F&B and recreational purposes. The agreement with the Penang State Government is to revitalise the following levels:

Levels	Built-up area (Sq. ft.)	Proposed enhancement
5 th (Retail podium roof)	89,425	<ul style="list-style-type: none"> ▪ Two multi-purpose halls suitable for banquets, exhibitions and conventions. ▪ Open air bazaar with food service outlets, arts and crafts stalls, and entertainment outlets.
59 th and 60 th	24,251	<ul style="list-style-type: none"> ▪ High end international food service outlets. ▪ Entertainment outlets. ▪ Ballroom.
64 th and 65 th (Rooftop)	16,657	<ul style="list-style-type: none"> ▪ High end international food service outlets. ▪ Lookout deck.

As part of the KOMTAR Tower Revitalisation Project, we have obtained a lease of the levels listed above from 19 December 2012, being the date of the lease agreement, for a period of forty five (45) years, with an option to extend the lease for an additional fifteen (15) years.

Part of our plans is to install a set of cascading escalators to create a direct pedestrian link between the ground level and the revitalised fifth (5th) level retail roof podium.

We also intend to install two (2) exterior sky bubble lifts that link the fifth (5th) level directly to the fifty ninth (59th) and sixty fifth (65th) levels. Passengers riding in the sky lifts will experience a distinctive bird's eye view of Georgetown and Penang.

6. BUSINESS OVERVIEW (Cont'd)

We expect the revitalised levels to be suitable for the following events:

- wedding dinners;
- corporate dinners;
- events, seminars, conferences and functions;
- fashion shows; and
- trade fairs and exhibitions.

Once this is completed, we intend to operate some of the food service outlets, ballrooms and other commercial space either through our own in-house personnel or by engaging third-party operators or rent the space out to third parties.

The KOMTAR Tower Revitalisation Project will allow us to establish a physical presence in Georgetown, Penang, which is a new geographical market to our Group.

The renovation and refurbishment works of the KOMTAR Tower Revitalisation Project has commenced as at the LPD. The project is expected to be completed in the third (3rd) quarter of 2015.

We intend to finance the KOMTAR Tower Revitalisation Project via our IPO proceeds, internally generated funds and bank borrowings.

6.21.3 Franchise Programme for *Only Mee*

As at the LPD, there are four (4) *Only Mee* food service outlets at the following locations:

- First World Plaza, Genting Highlands;
- Kuching International Airport, Sarawak;
- SACC Mall, Shah Alam, Selangor Darul Ehsan; and
- *Wet World Water Park Shah Alam*, Selangor Darul Ehsan.

In addition, we serve F&B under our *Only Mee* brand at *The FOOD tree*. We currently own and operate all of these food service outlets under this brand name.

As part of our future plans, we intend to register *Only Mee* with the Registrar of Franchise, Malaysia to secure franchisees to open and operate *Only Mee* as part of our strategy to expand the chain.

Under the franchise system, we intend to grant our franchisees the right to use *Only Mee* brand, trademark, franchise business operating system, and to sell *Only Mee* products. Where it is practicable to do so, we will supply food products to these franchise outlets.

We intend to provide support to franchisees in terms of training, management development, advertising, promotions and other support services.

We expect the franchise programme to create a new revenue stream in the form of franchise, advertising and promotion, and other fees, and by supplying food products to the franchisees. In addition, we expect the franchise programme to contribute towards increasing the number and expanding the geographic coverage of *Only Mee* food service outlets.

6. BUSINESS OVERVIEW (Cont'd)

We plan to start our franchise programme in the first (1st) quarter of 2016, initially focusing on setting up franchised food service outlets at high street locations in the Klang Valley. We aim to finance our franchise programme by using our internally generated funds.

6.21.4 Opening New Food Service Outlets

Part of our future plans is to set up ten (10) new food service outlets with an estimated average capacity of 120 seats per outlet in the following locations:

- five (5) food service outlets in Genting Highlands;
- three (3) food service outlets in Penang; and
- two (2) food service outlets in Putrajaya.

We are in the midst of securing these additional premises to expand our food service operations, where the details are expected to be firmed up during the first (1st) half of 2015.

We aim to finance the setting up of these new food service outlets by using our IPO proceeds.

6.21.5 “Fun, Food and Good Living” Locations

In line with our corporate slogan, we intend to set up locations grouping together a number of outlets, mostly operating under our brands, which offer a combination of “Fun, Food and Good Living” experiences.

We plan to develop these “Fun, Food and Good Living” locations by bringing together several of our F&B outlets together with one or more family attractions at a single location under a unifying theme with a focus on family-centric activities. These locations are expected to individually cover an area of between 20,000 square feet and 30,000 square feet. Moving forward, we plan to establish “Fun, Food and Good Living” at the following locations, depending on the availability of suitable locations:

- Johor Darul Takzim by end of 2015; and
- Klang Valley by end of 2016.

We intend to fund the development and opening of the “Fun, Food and Good Living” locations using our internally generated funds.

6.21.6 *Wet World Water Park Shah Alam* Phase Two (2) Expansion

We intend to carry out our phase two (2) expansion plan to enhance the facilities at *Wet World Water Park Shah Alam*. As part of this expansion, we plan to develop new facilities at the water amusement park to renovate and convert existing premises at the water amusement park that were previously leased out to a third party.

We are currently at the conceptualisation stage of the phase two (2) expansion plan. We intend to commence physical work on the phase two (2) expansion plan in the first (1st) half of 2015, and expect to complete the expansion plan and bring the new facilities into operations by the end of the same year. We intend to fund the phase two (2) expansion of *Wet World Water Park Shah Alam* using our IPO proceeds.

6. BUSINESS OVERVIEW (Cont'd)

6.21.7 Milestones

The following table indicates the timing for implementation of our future plans:

	Year of implementation			
	2014	2015	2016	2017
KOMTAR Tower Revitalisation Project				
- <i>Banquet Hall and Retail Arcade</i>	√	√		
- <i>Sky Dining (Level 59 and 60)</i>	√	√		
- <i>The Horizon (Level 64 and 65)</i>	√	√		
Franchise Programme for <i>Only Mee</i>			√	
Opening New Food Service Outlets		√		
"Fun, Food and Good Living" Locations		√	√	
Phase Two Expansion of <i>Wet World Water Park Shah Alam</i>		√		

6.21.8 Prospects of Our Group

The prospects of our Group are dependent on the following factors:

- Competitive advantages and key strengths;
- Future plans to provide sustainable growth; and
- Industry outlook.

(a) Competitive Advantages and Key Strengths

Our competitive advantages and key strengths will provide a platform for continuing growth and success. These include the following:

- We have our own brand names;
- We operate a centralised kitchen facility to support our food service operations;
- We have in-house R&D centre and a test kitchen;
- We have an experienced management team;
- We use proprietary recipes to prepare our dishes;
- We have the capability to develop new menus and recipes;
- Our centralised kitchen facility has obtained Halal certification;
- Our *Wet World* water amusement parks have distinctive water rides;

6. BUSINESS OVERVIEW (Cont'd)

- We are an established and experienced water amusement park operator; and
- Our food service outlets are integral to other attractions.

(b) Future Plans to Provide Sustainable Growth

We have in place a business and expansion plan moving forward, which are focused in the following areas:

- The KOMTAR Tower Revitalisation Project will give our Group a physical presence in a new market;
- The franchise programme for *Only Mee* will enable us to expand our chain of food service outlets under this brand name, and diversify our revenue streams;
- Opening new food service outlets will enable us to expand the range of dining options that we provide and operate at new locations;
- Opening “Fun, Food and Good Living” locations that package multiple F&B, attractions and other outlets in a single location with a unified theme, focusing on family-centric activities; and
- Expand and enhance *Wet World Water Park Shah Alam* by executing the phase two (2) expansion plan.

Our future plans would provide us with the platform to grow and sustain our business.

(c) Industry Outlook

The industry outlook is set out in Section 7 of this Prospectus.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

7. **INDUSTRY OVERVIEW**



VITAL FACTOR CONSULTING
Creating Winning Business Solutions

Vital Factor Consulting Sdn Bhd
(Company No.: 266797-T)

V Square @ PJ City Centre (VSQ)
Block 6 Level 6, Jalan Utara
46200 Petaling Jaya
Selangor, Malaysia

Tel (603) 7931 3188

Fax (603) 7931 2188

www.vitalfactor.com

24 October 2014

The Board of Directors

Only World Group Holdings Berhad

No.10, Jalan Pelukis U1/46, Section U1

Temasya Industrial Park, Glenmarie

40150 Shah Alam

Selangor Darul Ehsan

Dear Sirs and Madam

Independent Assessment of the Food Service, and Amusement and Recreation Industries in Malaysia

The following is an Independent Assessment of the Food Service, and Amusement and Recreation Industries in Malaysia prepared by Vital Factor Consulting Sdn Bhd for inclusion in the prospectus of Only World Group Holdings Berhad (herein together with all or any one or more of its subsidiaries will be referred to as OWG Group or the Group) in relation to its listing on the Main Market of Bursa Malaysia Securities Berhad.

1. BACKGROUND AND INTRODUCTION

- OWG Group is primarily a provider of leisure and hospitality services incorporating the operation of food service outlets, and amusement and recreation outlets comprising water amusement parks and family attractions.
- OWG Group's main market is Malaysia, where it derives all of its revenue.
- As such, the focus of this report is on the Food Service, and Amusement and Recreation Industries in Malaysia.

2. MACROECONOMIC INDICATORS

2.1 Key Macroeconomic Indicators for Malaysia

- Generally, a favourable macroeconomic environment provides an environment conducive for businesses to sustain and expand.
- Overall, Malaysia's key economic indicator in terms of real GDP grew at an average annual growth rate (AAGR) of 5.7% between 2009 and 2013. An exception to the growth during this period was in 2009 when the economy contracted by 1.5% amidst the slowdown of the global economy.

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

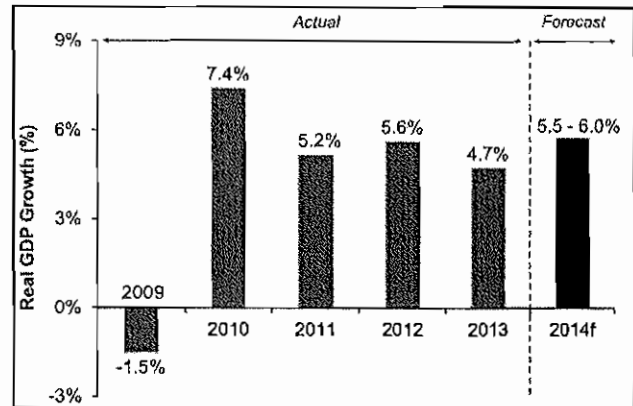
- In 2013, the Malaysian economy grew by 4.7% driven by continued strong growth in domestic demand, underpinned by robust private sector activity. Private consumption was supported mainly by favourable employment conditions and wage growth while private investment was supported by capital spending in the mining, services and manufacturing sectors.

- The more moderate overall growth performance in 2013 was largely contributed from improvements in the external sector. Demand from the advanced and regional economies were slower in the first half of 2013 leading to an overall decline in real exports during the year. However, real imports continued to expand throughout 2013 arising from the sustained growth in domestic investment and consumption, which contributed to the contraction in net exports.

- During the first quarter of 2014, the Malaysian economy grew by 6.2% where growth was fuelled by stronger expansion in domestic demand as well as turnaround in net exports. Net exports recorded growth as exports of goods and services outpaced the growth of imports. Additionally, in the second quarter of 2014, the Malaysian economy registered a stronger growth of 6.4% supported by higher exports and continued strength in private domestic demand. Real exports of goods and services grew at a faster pace while growth of real imports of goods and services moderated, resulting in a significant improvement in net exports. Furthermore, positive growth from construction, manufacturing, services, agricultural and mining sectors attributed to the growth in the second quarter of 2014 (Source: Bank Negara Malaysia).

- With strong growth evident in the first half of 2014, the Malaysian economy is expected to register a higher than expected growth between 5.5% and 6.0% for the full year of 2014. This is underpinned by strong macroeconomic fundamentals such as high savings and foreign reserves, manageable inflation, stable labour market conditions and a sound financial system (Source: Ministry of Finance).

Malaysia's Real GDP Growth



Notes: p = Preliminary; f = Forecast.

(Source: Bank Negara Malaysia, Ministry of Finance)

2.2 Consumer Confidence

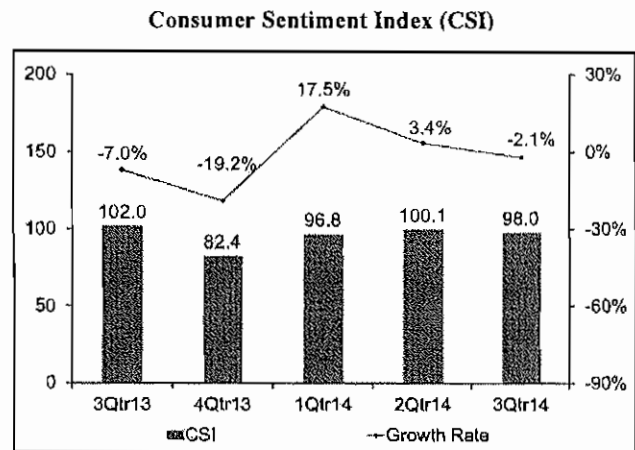
- The level of consumer confidence in the economy will have an impact on consumer spending patterns. A high consumer confidence level may lead to an increase in consumer spending that will benefit businesses in Malaysia.
- The Consumer Sentiment Index (CSI) contracted by 7.0% in the third quarter of 2013 to 102.0 points due to dwindling income and job expectations, growth in inflationary concerns and weaker outlook on consumer spending.
- In the fourth quarter of 2013, CSI fell below 100-point threshold to 82.4 points, the lowest reading in almost five years. This was attributed to deterioration of household income and job prospects, growth in inflationary concerns and prudent consumer spending.

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

- The CSI improved to 96.8 points during the first quarter of 2014, supported by improving household finances and job expectations, as well as moderating inflationary concerns. Nevertheless, the CSI was still below the 100-point confidence threshold.
- In the second quarter of 2014, the CSI continued to record further improvement to 100.1 points, reflecting a neutral level of consumer confidence. This was attributed to a stable but improving household income compared to the previous quarter, as well as firm employment expectations.
- The CSI fell below the 100-point confidence threshold in the third quarter of 2014 to 98.0 points. This was contributed by cautious sentiment on current and expected finances, flat employment outlook and worries over rising prices by middle-income households.



(Source: Malaysian Institute of Economic Research)

3. INDUSTRY OVERVIEW AND STRUCTURE

3.1 Overall Leisure and Hospitality Industry

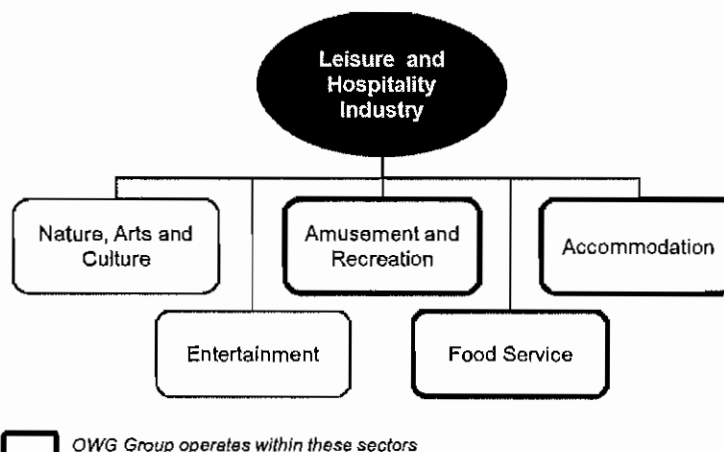
- The Group operates within the Leisure and Hospitality Industry.
- In general, the Leisure and Hospitality Industry is concerned with the provision of services that entertain, satisfy and/or fulfil some basic needs of customers and patrons.
- A leisure activity is a discretionary activity that an individual is not compelled to do, but chooses to carry out based on the entertainment, enjoyment or satisfaction that the individual expects to derive from carrying out that activity.
- Hospitality is primarily concerned with fulfilling the basic needs for food and shelter. However, in Malaysia's society, hospitality extends beyond satisfying basic needs for food and shelter to include provision of different levels of luxurious accommodation and fine dining experience.
- Operators in the Leisure and Hospitality Industry may be involved in managing and operating venues or providing services directly.

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

- In general, the Leisure and Hospitality Industry includes five main sectors as depicted below:



- Nature, Arts and Culture** refers to operating venues that are concerned with the preservation, conservation, study and/or exhibition of objects, animals, plants, and buildings and sites that possess scientific, cultural and/or historical significance. Some examples of these venues are zoos, museums, national parks and historical sites.
- Entertainment** refers to the operation of venues that host live performances, motion picture projection, sporting events and similar events catering to a mainly non-participative audience. Some examples of these venues are cinemas, theatres, stadiums and concert halls.
- Amusement and Recreation** venues and facilities enable patrons to engage in sporting, recreational and amusement activities. Some examples of these venues are theme parks, arcades, bowling alleys and fitness centres.
- Food Service** is concerned with preparing meals, snacks and beverages for customers primarily for immediate on-premise or off-premise consumption. It is also referred to as the provision of food and meals away from home. Some examples of food service operations include restaurants, cafés, quick-service restaurants, food stalls, pubs, canteens and catering services.
- Accommodation** refers to the operation of venues that provide lodging or short-term accommodation for business travellers, vacationers and others. Some examples of accommodation venues are hotels, motels, resorts, serviced apartments and bed & breakfast.
- This report will focus on the Food Service, and Amusement and Recreation sectors as the bulk of the Group's revenue are generated by the operation of food service outlets and amusement and recreation outlets.
- Although the Group also operates a resort, which is categorised under the Accommodation sector, it constitutes only a small percentage of the Group's total revenue and will not be covered in this report.

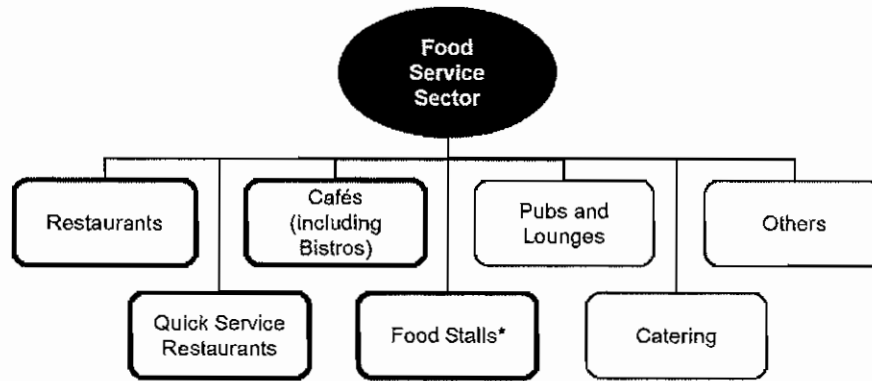
7. INDUSTRY OVERVIEW (Cont'd)




VITAL FACTOR CONSULTING
Creating Winning Business Solutions

3.2 Structure of the Food Service Sector

- In general, the Food Service sector may be categorised into seven segments as depicted in the figure below:



*Including hawker stalls and take-away shops

 OWG Group operates within these segments

- The level of service offered by the different segments of the Food Service sector varies. For instance, some establishments provide only food and drinks for off-premise consumption, while others may provide dine-in facilities, waiting service and other amenities.
- Restaurants** are food service outlets that provide dine-in facilities with full waiting services. Types of restaurants based on cuisine include, among others, Chinese, Malay, Indian, Mediterranean, Spanish, Middle Eastern, French and Italian. Food and beverages are normally prepared and cooked on the premises, and customers can select from a varied menu.
- Cafés (including bistros)** are casual and relatively small dine-in outlets that provide full waiting service or partial self-service. Many cafés are similar to restaurants except that the dine-in facilities and ambience are more casual. There are various types of cafés in Malaysia. These cafés mainly focus on serving food, beverages, desserts, a particular specialty or a combination of some food and beverages. While the original meaning of cafés is outlets that focus on coffee, it has since evolved to also include non-coffee based food service outlets.
- Quick Service Restaurants** are also called fast food restaurants. A quick service restaurant normally has a limited menu, so that food can be prepared and served quickly. Many quick service restaurants are franchise chains with standardised food ingredients shipped to individual restaurants from central locations. A quick service restaurant tends to specialise in dishes such as hamburgers, pizzas, chicken, fish and sandwiches. While most quick service restaurants in Malaysia provide dine-in facilities, take-away, delivery and drive-through services are also common.
- Food Stalls** comprise hawker stalls, take away shops, snack bars, food court and other food stalls and carts. The focus on food stalls is on casual dining or take-away.
- Pubs and Lounges** are food service outlets that focus on selling alcoholic beverages for on-premise consumption. A limited range of food may also be served in pubs and lounges.

7. INDUSTRY OVERVIEW (Cont'd)

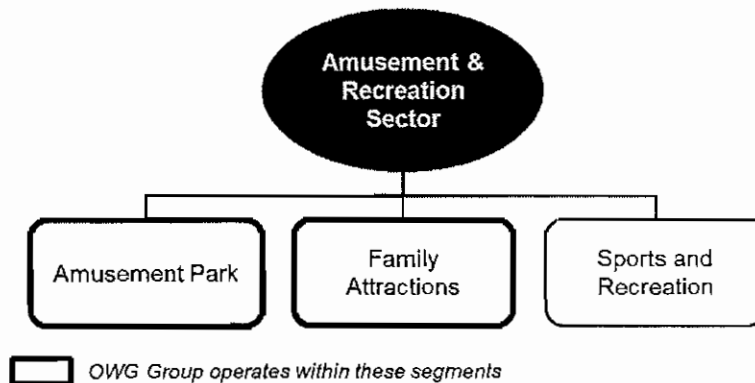
**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

- **Catering** is mainly the supply of cooked food and beverages delivered in bulk to a location determined by the customer. Catering may service private households and functions, enterprises, institutions, airlines, and other customers.
- **Others** may include canteens, contract supply for example for airlines, gourmet chefs that cook at the customers' premises, and services that consolidate and deliver food from various food service outlets.

3.3 Structure of the Amusement and Recreation Sector

- Generally, the Amusement and Recreation Sector may be categorised into three segments as depicted below:



- An **Amusement Park** is a venue operating at a fixed location that is equipped with various facilities or amenities that are designed to entertain patrons. Amusement parks are typically equipped with mechanised rides such as roller coasters, merry-go-rounds and Ferris wheels; water rides such as water slides and rises; or a combination of both. An amusement park that is designed around one or more unifying settings or ideas may also be known as a theme park. A typical visit to a large amusement park can stretch over a day or even several days, for example Disney World in Orlando, Florida in the United States of America.
- **Family Attractions** refer to venues that provide amusement in a smaller area compared to an amusement park, and usually focuses on one attraction, ride or activity. It includes both participative as well as non-participative activities and attractions. Some of these establishments target a specific group, which may be children, teenagers, adults or families. A typical visit to a family attraction usually lasts several hours. Examples of these venues include stand-alone rides or attractions, and arcades.
- **Sports and Recreation** refers to venues and facilities that enable patrons to participate in sports or other recreational activities. Examples of these venues and facilities include golf courses, bowling alleys, wind surfing, white water rafting, ballooning and bungee jumping.
- OWG Group currently operates water amusement parks and family attractions. As such, this report will also focus on the Amusement Park and Family Attractions segments.

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

4. SUPPLY AND SUPPLY DEPENDENCIES

- Supply side information looks at the overall view of players and factors that contribute to the supply of products and services, as well as raw materials, semi-finished products and services that is required to produce the final products and services. It will also indicate any vulnerabilities or dependencies in supply faced by operators within the industries.

4.1 Food Service

4.1.1 Supply

- Supply in the Food Service Industry is represented by the number of establishments. The latest available data is as follows:

Number of Establishments in Food and Beverage Services (2010)

Food Services ¹	118,277
Beverage Services ²	14,660
Event Catering Services ³	12,383
Total	145,320

Notes:

- (1) Includes restaurants, cafeterias/canteens, fast food restaurants and food stalls;
 - (2) Includes pubs, bars, discotheques, coffee houses, cocktail lounges, karaoke, coffee shops and other drinking places;
 - (3) Includes event / food caterers and other food service activities.
- (Source: Department of Statistics)

- In 2010, there were a total of 145,320 establishments in food and beverage services in Malaysia. Food services constituted the most number of establishments at 118,277 establishments, which mainly comprises restaurants and food stalls, in 2010.
- In 2010, beverage services and event catering services each constituted 10.1% and 8.5% respectively of the total number of establishments in food and beverage services in Malaysia.
- The gross output value of the food service industry is as follows:

Gross Output Value for Food and Beverage Services

	2010	2012	AAGR 2010-12 (%)
Food Services.....	30,741	34,576	6.1
Beverage Services.....	3,865	4,193	4.2
Event Catering Services.....	3,644	3,815	2.3
Total	38,251	42,585	5.5

*Notes: All units in RM million except percentages; Total does not add-up due to rounding.
(Source: Department of Statistics)*

- Between 2010 and 2012, gross output value for food and beverage services had experienced growth, represented by an AAGR of 5.5%.

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

- In 2012, gross output value of food and beverage services amounted to RM42.6 billion, of which food services represented major portion of 81.2% out of the total gross output value. This was followed by beverage services and event catering services, which represented 9.8% and 9.0% of the total gross output value respectively.

4.1.2 Supply Dependencies

- The normal operations of food service establishments require various food related items, which are then further processed or cooked to create food and beverages that are served to end-consumers.
- As such, the continuous operation of food service establishments are dependent on the availability of various food related items, which could be sourced either locally or through imports.

Sales Value of Manufacture of Selected Food Related Items (Malaysia)

	2009	2010	2011	2012	2013	AAGR 2009-13 (%)
Condensed, Powdered and Evaporated Milk.....	3,183	3,183	3,184	4,181	5,010	12.0
Other Vegetable and Animal Oils and Fats.....	1,892	4,670	6,224	6,030	4,272	22.6
Sugar	2,263	3,086	3,731	3,656	3,911	14.7
Flour Milling.....	1,844	1,759	1,993	1,923	1,958	1.5
Soft Drinks.....	1,251	1,578	1,568	1,705	1,829	10.0
Rice Milling	1,694	1,589	1,676	1,805	1,775	1.2
Processing and Preserving of Fish and Fish Products.....	1,045	1,109	1,171	1,490	1,679	12.6
Sauces Including Flavouring Extracts such as Monosodium Glutamate.....	651	790	885	964	1,031	12.2
Production of Mineral Water.....	204	231	259	372	473	23.5

*Note: All units in RM million except percentages.
(Source: Department of Statistics)*

- Between 2009 and 2013, the sales value of the production of all the above food related items experienced growth.
- Between 2009 and 2013, the sales value of the production of other vegetable and animal oils and fats grew significantly from RM1.9 billion to RM4.3 billion, representing an AAGR of 22.6%.
- Local production of beverage items also experienced significant growth with the sales value of the production of mineral water and soft drinks growing at AAGR of 23.5% and 10.0% respectively, between 2009 and 2013.

7. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING
Creating Winning Business Solutions

Import Value of Selected Food Related Items (Malaysia)

	2009	2010	2011	2012	2013	AAGR 2009-13 (%)
Vegetables and Fruits	3,436	4,047	4,244	4,446	5,262	11.2
Coffee, Tea, Cocoa, Spices and Manufactures thereof.....	4,235	5,118	5,682	5,288	5,249	5.5
Miscellaneous Edible Products and Preparations.....	2,500	3,003	3,411	3,873	4,371	15.0
Sugar, Sugar Preparation and Honey....	2,470	2,946	3,402	3,676	3,424	8.5
Dairy Products and Birds' Eggs	1,565	2,025	2,550	2,676	3,291	20.4
Fish, Crustaceans and Molluscs, and Preparations thereof	2,272	2,402	2,911	3,159	3,182	8.8
Meat and Meat Preparations.....	1,516	1,742	2,040	2,225	2,571	14.1
Beverages	1,001	1,162	1,747	2,057	2,395	24.4
Food-Processing Machine (Excluding Domestic).....	455	457	496	573	462	0.4

*Note: All units in RM million except percentages.
(Source: Department of Statistics)*

- Between 2009 and 2013, import value of all the above food related items achieved positive growth.
- Imports of beverages grew fastest at an AAGR of 24.4%, followed by imports of dairy products and birds' eggs with an AAGR of 20.4%.
- Food-processing machines (excluding domestic) are also commonly used by food service operators in their normal operations. The import value of food-processing machines grew from RM455 million to RM462 million between 2009 and 2013, representing an AAGR of 0.4%.

4.2 Amusement and Recreation

- The operation of amusement parks is dependent on the availability of, among others, various types of equipment and facilities.

**Import and Export Values of Roundabouts, Swings, Shooting Galleries and Other
Fairground Amusements**

	2009	2010	2011	2012	2013	AAGR 2009-13 (%)
Import.....	17,015	6,164	56,941	60,995	31,028	16.2
Export.....	12,188	18,241	8,327	6,178	5,868	-16.7

*Note: All units in RM '000 except percentages.
(Source: Department of Statistics)*

- Between 2009 and 2013, the import value of roundabouts, swings, shooting galleries and other fairground amusements grew from RM17.0 million to RM31.0 million, representing an AAGR growth of 16.2%.

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

- The significant increase in import value of roundabouts, swings, shooting galleries and other fairground amusements in 2011 and 2012 could be caused by the openings of new amusement parks in Malaysia, such as the LEGOLAND and Puteri Harbour Family Theme Park in Johor, ESCAPE Theme Park in Penang and the Water World@i-City in Selangor, all of which were opened in 2012. In 2013, import value of roundabouts, swings, shooting galleries and other fairground amusement fell by 49.1% compared to 2012 because many of the new amusement parks were already operational and no large new amusement parks were under development.
- Between 2009 and 2013, export value of roundabouts, swings, shooting galleries and other fairground amusements fell at an average annual rate of 16.7%.
- During the period under review, Malaysia had generally been a net importer of roundabouts, swings, shooting galleries and other fairground amusements, with the exception of year 2010.
- In 2010, local production of roundabouts, swings, shooting galleries and other fairground amusements amounted to RM5.7 million.
- Nonetheless, these amusement equipment and facilities are not replaced on a frequent basis. As such, normal operation of amusement parks is generally not heavily dependent on the constant supply of equipment.

5. DEMAND

5.1 Food Service

- Generally, the demand for food services is determined by consumers' expenditure on food and beverages away from home.

5.1.1 Household Expenditure

- A higher average household expenditure on restaurants and cafes represents a stronger demand for food services from Malaysian households.

Average Monthly Household Expenditure in Malaysia

	2004/05	2009/10	AAGR 2004/05-2009/10 (%)
Restaurants and Cafes	204.89	233.39	2.6

*Note: All units in RM except percentages.
(Source: Department of Statistics)*

- Between 2004/05 and 2009/10, the average monthly household expenditure on restaurants and cafes grew at an AAGR of 2.6%.
- It should be noted that in addition to the growth in average household expenditures on restaurants and cafes, the overall growth in demand is augmented by an increase in the number of households. The number of households grew from 5.86 million in 2004/05 to 6.54 million in 2009/10, an AAGR of 2.2% during the period under review.

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

5.1.2 Internal Tourism Consumption

- Internal tourism refers to activities carried out by resident and non-resident visitors in Malaysia as part of their trips. Activities that are carried out by Malaysian residents are categorised as domestic tourism, while those carried out by non-residents are categorised as inbound tourism.
- An increase in internal tourism consumption of food and beverage serving services would imply a stronger demand for food services from tourists.

Internal Tourism Consumption of Food and Beverage Serving Services in Malaysia

	2008	2009	2010	2011	2012	AAGR 2008-12 (%)
Inbound Tourism.....	8,929	9,703	10,177	10,245	10,149	3.3
Domestic Tourism.....	3,391	3,119	3,821	4,747	5,712	13.9
Overall Internal Tourism	12,321[^]	12,822	13,998	14,992	15,862[^]	6.5

Notes: All units in RM million except percentages; [^] Total does not add up due to rounding.
(Source: Department of Statistics)

- Between 2008 and 2012, overall internal tourism consumption of food and beverage serving services increased at an average annual rate of 6.5%, which was mainly attributed to the increase in domestic tourism during the period.
- Inbound tourism consumption of food and beverage serving services had been growing from RM8.9 billion to RM10.1 billion between 2008 and 2012, representing an AAGR of 3.3%.
- Although domestic tourism consumption of food and beverage serving services only accounted for 36.0% of overall internal tourism consumption on food and beverage serving services in 2012, it had been growing steadily with AAGR of 13.9% between 2008 and 2012.

5.2 Amusement and Recreation

- Generally, the demand for services under the Amusement and Recreation Industry is determined by consumers' expenditure on amusement and recreation services, which are assessed based on the statistics discussed below.

5.2.1 Household Expenditure

- A higher average household expenditure on cultural services, and entertainment, recreation and sports would imply a stronger demand for amusement and recreational activities from Malaysian households.

7. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING
Creating Winning Business Solutions

Average Monthly Household Expenditure in Malaysia

	2004/05	2009/10	AAGR 2004/05- 2009/10 (%)
Cultural Services ¹	24.62	34.93	7.2
Entertainment, Recreation and Sports ²	2.67	4.15	9.2

Notes: All units in RM except percentages; (1) Includes cinemas tickets, entrance fees to places of public amusement, photographing, rental of books and others; (2) Includes entrance fees for go-kart racing, monthly subscription fees for sports / recreation clubs, badminton/tennis/squash court charges and others.

(Source: Department of Statistics)

- Between 2004/05 and 2009/10, the average monthly household expenditure on cultural services and entertainment, recreation and sports grew at AAGR of 7.2% and 9.2% respectively.
- Similarly, growth in average monthly household expenditure is augmented by an increase in the number of households, from 5.86 million in 2004/05 to 6.54 million in 2009/10.

5.2.2 Internal Tourism Consumption

- An increase in internal tourism consumption on cultural, sports and recreational services would imply a stronger demand for amusement and recreational activities from tourists.

Internal Tourism Consumption on Cultural, Sports and Recreational Services in Malaysia

	2008	2009	2010	2011	2012	AAGR 2008-12 (%)
Inbound Tourism.....	1,513	1,665	1,834	2,317	1,903	5.9
Domestic Tourism.....	196	258	383	570	649	34.9
Overall Internal Tourism.....	1,709	1,923	2,218[^]	2,888[^]	2,552	10.5

*Notes: All units in RM million except percentages; [^] Total does not add up due to rounding.
(Source: Department of Statistics)*

- Between 2008 and 2012, overall internal tourism consumption on cultural, sports and recreational services grew at an AAGR of 10.5%, mainly attributed to growth in foreign tourists' consumption. Nonetheless, domestic tourists' consumption grew at a stronger AAGR of 34.9%.
- In 2012, overall internal tourism consumption of cultural, sports and recreational services in Malaysia decreased by 11.6% to reach RM2.6 billion. This was mainly attributed to decrease of foreign tourists' consumption by 17.9% to reach RM1.9 billion in 2012.

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

5.2.3 Income from Leisure Activities

- The income derived from leisure activities directly reflects the total demand of the respective leisure activity. The latest available data is as follows:

Income from Leisure Activities in Malaysia (2010)

Operation of all sports facilities.....	1,310.9
Activities of amusement parks and theme parks.....	346.3
Any other amusement and recreation activities.....	282.9
Operation of botanical and zoological gardens.....	127.0
Operation of museums of all kinds.....	27.4

Notes: All units in RM million; Data does not include government-owned establishments.

(Source: Department of Statistics)

- Among the leisure activities from the table above, operation of all sports facilities recorded highest income of RM1.3 billion in 2010.
- In 2010, total income derived from the activities of amusement parks and theme parks in Malaysia amounted to RM346.3 million.

6. DEMAND DEPENDENCIES

- As the demand for amusement attractions and food service outlets are ultimately dependent on consumer spending, the following factors will have a common impact on both industries:
 - Per capita income;
 - Household expenditure;
 - Population growth;
 - Tourists' arrivals and receipts.

6.1 Per Capita Income

- In general, an increase in the average affluence of Malaysia, which can be represented by per capita income, may result in an increase in consumer spending on discretionary leisure activities and food related services.

Malaysia's Per Capita Income (Based on Current Prices)

	2009	2010	2011	2012	2013	AAGR 2009-2013 (%)
Per Capita Income	23,841	26,175	29,661	30,856	31,843	7.5

Note: All units in RM except percentages.

(Source: Ministry of Finance)

- Malaysia's per capita income grew from RM30,856 in 2012 to RM31,843 in 2013, representing an annual growth of 3.2%.
- Between 2009 and 2013, Malaysia's per capita income grew at an AAGR of 7.5%.

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

6.2 Household Expenditure

- An increase in the average household expenditure may result in higher consumer spending, which is a favourable indicator for expenditure in consumer discretionary items, such as leisure activities and food services.

Average Monthly Household Expenditure in Malaysia

	2004/05	2009/10	AAGR 2004/05- 2009/10 (%)
Overall Average	1,953.02	2,190.37	2.3

Note: All units in RM except percentages.
(Source: Department of Statistics)

- Overall, the average monthly household expenditure in Malaysia has increased from RM1953.02 in 2004/05 to RM2190.37 in 2009/10. This reflects an AAGR of 2.3% during the period under review.

6.3 Population Growth

- Growth in Malaysia's population will provide the impetus for demand for both amusement attractions and food services.

Malaysia's Mid-Year Population Estimate by Age Groups

	2009	2010	2011	2012	2013	AAGR 2009-2013 (%)
0 – 14	7,724	7,822	7,785	7,757	7,741	0.1
15 – 29.....	7,543	8,539	8,581	8,591	8,579	3.3
30 – 49.....	8,038	7,542	7,727	7,926	8,136	0.3
50 – 64.....	3,309	3,260	3,396	3,518	3,637	2.4
65 and above	1,282	1,425	1,475	1,545	1,621	6.0
Total	27,895	28,589	28,964	29,337	29,715	1.6

Notes: All units in thousands except percentages; Total does not add-up due to rounding.
(Source: Department of Statistics)

- The population of Malaysia grew from 27.9 million to 29.7 million between 2009 and 2013, representing an AAGR of 1.6%.
- Between 2009 and 2013, Malaysia's population aged 65 and above recorded an AAGR of 6.0%, significantly higher than the other age groups from the table above.

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

6.4 Tourist Arrivals and Receipts

- Amusement attractions and food services are also consumed by foreign tourists. As such, the demand of such services is also dependent on tourist arrivals and tourist receipts in Malaysia.

	Tourist Arrivals and Receipts in Malaysia					AAGR 2009-2013 (%)
	2009	2010	2011	2012	2013	
Tourist Arrivals (million)	23.7	24.6	24.7	25.0	25.7	2.1
Tourist Receipts (RM billion)	53.4	56.5	58.3	60.6	65.4	5.2

(Sources: Malaysia Tourism Promotion Board)

- Both tourist arrivals and tourist receipts in Malaysia grew every year between 2009 and 2013. They recorded AAGR of 2.1% and 5.2% respectively during the period under review.
- In 2013, Malaysia achieved tourist arrivals of 25.7 million and total tourist receipts of RM65.4 billion.

7. COMPETITIVE ANALYSIS

7.1 Nature of Competition

- In general, operators in the Food Service Industry and Amusement and Recreation Industry in Malaysia face **normal** competitive conditions, which is similar to a free enterprise environment characterised by the following:
 - There are no undue Government regulations or licensing requirements;
 - The industry is not dominated by a single or small number of operators;
 - Operators may enter and leave the industry freely;
 - No single or small group of operators is large enough to dictate pricing.
- In such an environment, the industries are subjected to normal supply and demand conditions moderated by the price mechanism. Operators in the industries compete based on service differentiations and other factors of competition.

7.2 Factors of Competition

7.2.1 Food Service Industry

- As with most free enterprise environment, competition within the Food Service Industry is based on a number of factors, including:
 - Brand name and market reputation;
 - Quality of products and services;
 - Economies of scale;
 - Halal certification.

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

- **Brand Name and Market Reputation**

Brand name and market reputation is a key competitive factor in the provision of food services to consumers. As such, an established brand name with a strong market reputation that appeals to target customer groups will be able to garner higher customer loyalty from existing customers, attracting new customers through strong brand equity as well as commanding higher pricing compared to less prominent operators in the industry.

- **Quality of Products and Services**

Quality of products and services is critical to end-consumers, especially for food services, whereby consumers have a great variety of options available in the market. Operators that possess awards or other recognitions that provide assurance of the quality of the food and services are better positioned to attract more customers.

- **Economies of Scale**

Food service operators which have capabilities to operate a number of outlets would have stronger negotiation power to obtain better commercial terms from their suppliers in relation to ingredients, credit terms, logistics and other arrangements. Similarly, food service operators are also able to benefit from some economies of scale through combined advertising and promotions, administration, product development and other shared services.

- **Halal Certification**

Food service outlets which obtained Halal Certification recognised by the Department of Islamic Development Malaysia (JAKIM) will provide assurance to Muslim consumers that the food complies with Islamic law (Syariah law). This is compulsory for Muslims, which constitute the majority of the Malaysian population. Hence, obtaining Halal Certification would enlarge the potential customer base of a food service outlet. In 2013, there were 15.0 million Malays, which represented 50.5% of the total population in Malaysia (*Source: Department of Statistics*)

7.2.2 Amusement and Receptions Industry

- As with most free enterprise environment, competition within the Amusement and Recreation Industry is based on a number of factors, including:

- Brand name and market reputation;
- Variety of rides and attractions;
- Amusement factor;
- Location.

- **Brand Name and Market Reputation**

With the target market for the Amusement and Recreation Industry being consumers, brand name and reputation are key competitive factors in this industry. As such, an established brand name with a strong market reputation that appeals to target customer groups will be able to attract more visitors through strong brand equity. For instance, Disneyland and Universal Studios theme parks which are household names in the Amusement Park Industry have significantly strong "pulling factor" that attract visitors from all over the world.

7. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING

Creating Winning Business Solutions

- **Variety of Rides and Attractions**

Operators that provide a wide range of rides and attractions would have an advantage over operators with low or limited range of rides and attractions. Operators with a wider range of rides and attractions are better positioned to attract visitors from various age groups and cater to their diverse preferences and requirements.

- **Amusement Factor**

Amusement factor refers to the level of satisfaction or contentment a visitor would derive from any particular attraction or ride in an amusement park. As such, operators with rides and attractions of higher amusement factor are likely to attract both new and repeat visitors.

- **Location**

The Amusement and Recreation Industry operates in a consumer-based environment. As such, amusement attractions located close to densely populated areas would have a competitive advantage over those located further away. Larger amusement parks are typically located in suburban areas due to the large land size requirements. Nonetheless, they remain competitive with a significantly larger catchment area.

While location is a key competitive factor, operators of amusement parks and recreational activities with strong brand names tend to rely less on location. On the contrary, such operators are regarded as “destinations”, in which people will make special efforts to patronise these venues. Examples of strong brand name amusement parks include Disneyland and Universal Studios theme parks.

7.3 Operators in the Industry

7.3.1 Operators in the Food Service Industry

- Some of the operators in the Food Service Industry in Malaysia which operate more than one food service outlet under the same brand name include the following brands (listed in alphabetical order):

- **eastcourt***
- Esquire Kitchen;
- Grand Imperial;
- Hailan Kopitiam;
- Killiney Kopitiam;
- OldTown White Coffee;
- **Only Mee***
- Oversea Restaurant;
- PappaRich;
- **RICH DAD***
- San Francisco Coffee;
- Secret Recipe;
- Starbucks Coffee;
- Station 1 Café;
- Tai Thong Restaurant;
- The Coffee Bean & Tea Leaf.

* Operated by OWG Group

Note: This is not an exhaustive list.

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

7.3.2 Amusement Parks in Malaysia

- Some of the amusement parks in Malaysia include the following (listed in alphabetical order):

<u>Name of Amusement Park</u>	<u>Location (State)</u>
A'Famosa Water World	Melaka
Berjaya Times Square Theme Park	Kuala Lumpur
Bukit Gambang Water Park	Pahang
Bukit Merah Laketown Waterpark	Perak
Danga World Theme Park	Johor
Desa Water Park	Kuala Lumpur
ESCAPE Theme Park	Penang
Genting Theme Park^	Pahang
i-City Theme Park	Selangor
LEGOLAND Malaysia	Johor
Lost World of Tambun	Perak
Melaka Wonderland Theme Park & Resort	Melaka
Puteri Harbour Family Theme Park	Johor
Sunway Lagoon	Selangor
The Carnivall Water Park	Kedah
Water World Theme Park	Sabah
Wet World Air Panas Pedas Resort*	Negeri Sembilan
Wet World Batu Pahat Resort*	Johor
Wet World Water Park Shah Alam*	Selangor

^ *Genting Theme Park comprises Genting Outdoor Theme Park and First World Indoor Theme Park. Genting Outdoor Theme Park was closed for redevelopment on 1 September 2013. First World Indoor Theme Park remained open.*

* *Operated by OWG Group*

Note: This is not an exhaustive list.

8. GOVERNMENT REGULATIONS AND INCENTIVES

8.1 Government Legislations and Policies

Some of the regulations and policies applicable to the Food Service Sector and the Amusement and Recreation Sector are listed below:

Food Service Sector

- Registration of Food Premises**
 - No person shall use any food premises for the purpose of, or in connection with the preparation, preservation, packaging, storage, conveyance, distribution or sale of any food or the relabelling, reprocessing or reconditioning of any food except that the premises is registered under the Ministry of Health.
 - A certificate of registration for food premises shall be valid for a period not exceeding 3 years from the date of its issuance.
 - A proprietor, owner or occupier of food premises shall conspicuously display a certificate of registration of food premises in the food premises.

7. **INDUSTRY OVERVIEW (Cont'd)**



VITAL FACTOR CONSULTING

Creating Winning Business Solutions

- **Food Handler**

- A proprietor, owner or occupier of food premises shall not employ or allow any food handler to work in his food premises unless the food handler has undergone food handler's training and has been medically examined and vaccinated by a registered medical practitioner.

(Source: Food Hygiene Regulations 2009)

- **Liquor Licences**

- No person shall sell by retail, or offer for sale by retail, any intoxicating liquor for consumption on the premises of the vendor or at the place where they are sold, except under and in accordance to one of the below licences:
 - (i) Public house licence – sale of intoxicating liquors (including beer but excluding toddy);
 - (ii) Beer house licence – sale of beer only.

(Source: Excise Act 1976)

- **Halal Certification**

- All food and goods shall not be described as Halal or be described in other manner to indicate that the food or goods can be consumed or used by a Muslim unless it is certified as Halal by JAKIM and marked with the logo as specified in the First Schedule of the Trade Descriptions (Certification and Marking of Halal) Order 2011.

(Source: Ministry of Domestic Trade, Cooperatives and Consumerism)

Amusement and Recreation Sector

- **Registration of Amusement Devices**

- Category I amusement devices

The owner or controller or lessee of an amusement park shall obtain the design approval of a Category I amusement device from the Department of Occupational Safety and Health (DOSH) and subsequently notify the DOSH state office where the device will be installed.

- Category II amusement devices

The owner or controller or lessee shall submit to the relevant DOSH state office the necessary documents for the purpose or review and inspection.

(Source: Department of Occupational Safety and Health)

7. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING
Creating Winning Business Solutions

Accommodation Sector

- **Registration with Ministry of Tourism**

- Any person who carries on or operates accommodation premises shall apply for the registration of such premises as tourist accommodation premises with the Ministry of Tourism.

(Source: Tourism Industry Act 1992)

8.2 Government Incentives

Tourism projects, including in-door and out-door theme parks are eligible to apply for tax incentives from the Malaysian Investment Development Authority (MIDA) as follows:

- **Pioneer Status**

- A company granted Pioneer Status enjoys a 5-year partial exemption from the payment of income tax. It will only have to pay tax on 30% of its statutory income, commencing from its production day which is determined by the Minister of International Trade and Industry.
- Unabsorbed capital allowances as well as accumulated losses incurred during the pioneer period can be carried forward and deducted from the post pioneer income of the company.

- **Investment Tax Allowance (ITA)**

- As an alternative to Pioneer Status, a company may apply for ITA, which grants the company an allowance of 60% on the qualifying capital expenditure incurred within 5 years from the date on which the first qualifying capital expenditure is incurred.
- Companies can offset this allowance against 70% of statutory income in the year of assessment. Any unutilised allowances can be carried forward to subsequent years until fully utilised.

(Source: Malaysian Investment Development Authority)

8.3 Registration of Franchise

- According to the Franchise Act 1998, it is a requirement to register with the Registrar of Franchise before one is allowed to commence on the franchising business.

(Source: Malaysian Franchise Association)

8.4 Trademark

- In Malaysia, trademarks are governed by the Trade Marks Act 1976 and Trade Marks Regulation 1997 (Amendment 2001). Trademark registration is not compulsory in Malaysia.
- Trademark registration provides trademark owners with exclusive rights to use their marks in trading.

7. INDUSTRY OVERVIEW *(Cont'd)*



VITAL FACTOR CONSULTING

Creating Winning Business Solutions

- The Registrar of Trade Marks is the issuing authority for the registration of trademarks in Malaysia. Registration of trademarks is valid for a period of ten years and may be renewed from time to time.

(Source: Intellectual Property Corporation of Malaysia)

8.5 Environmental Regulations

- Operators in the overall Leisure and Hospitality Industry generally do not generate any waste that has an adverse effect on the environment as they are engaged in a service-based industry.

9. BARRIERS TO ENTRY

9.1 Food Service

- The barriers to entry into the Food Service sector are **low** based on capital requirements (excluding land and building).
- The capital requirements of setting-up a food service outlet varies from a low amount of several hundred Ringgit for a hawker stall to one or two million for high-end fine dining. Nevertheless, the large majority of food service outlets in Malaysia would require capital set-up of RM150,000 to RM750,000.
- At this level of entry, this set-up cost is for one outlet with limited seating capacity. Capital costs would start to escalate for an operator that wants to establish a network of food service outlets in order to generate higher revenue and to achieve economies of scale.
- Operators of franchised outlets may incur additional set-up costs, including franchising fees.

9.2 Amusement and Recreation

- The barriers to entry into the Amusement Park Industry are **moderate** based on construction cost (excluding land cost).
- The construction cost of setting-up a medium-sized amusement park that covers 10.0 acres of land would be approximately RM20 million to RM30 million. An amusement park of this size is estimated to generate revenue of approximately RM5.0 million to RM10.0 million per year.

10. THREAT OF SUBSTITUTES

10.1 Food Service

- There are substitutes for food service outlets such as home-cooked meals and prepared meals purchased from retail outlets like supermarkets.
- Food is subject to consumers' personal preference and situation. For instance, one may choose to consume home-cooked meals most of the time due to lower costs while another may prefer to eat out at food service outlets due to convenience and the pleasure and social benefits of eating out.

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

10.2 Amusement and Recreation

- There are substitutes for amusement parks and attractions. One may visit the zoo, museum, art gallery, cinema, or choose to remain at home to watch television during leisure time, depending on the personal preference of the individual.
- Nonetheless, each of the leisure activities provides a distinctly different leisure experience. As such, these leisure activities are not entirely substitutable. For instance, the entertainment and thrill one may derive from a water slide ride in an amusement park is not likely to be easily replicated by other substitutes.
- Hence, the extent to which the substitutes pose a threat is dependent on consumers' personal preference.

11. RELIANCE AND VULNERABILITY TO IMPORTS

11.1 Food Service

- Reliance on imports can be determined by the self-sufficiency level, which directly reflects the proportion of local production over total consumption of the good.
- A lower self-sufficiency level would mean a lower proportion of consumption satisfied by local production, implying a higher reliance on imports.
- On the other hand, a self-sufficiency level of 100 and above would suggest a zero reliance on imports as local production would constitute 100% or more of consumption of the good.
- The self-sufficiency level of some of the major food commodities are as follows:

Self-Sufficiency Level of Major Food Commodities in Malaysia

	2008	2009	2010	2011p	2012p	AAGR 2008-12 (%)
Food Fish	95.6	100.1	101.7	123.7	134.2	8.8
Poultry Eggs	112.3	114.7	115.4	130.6	131.6	4.0
Poultry	121.9	122.2	127.9	131.4	131.4	1.9
Pork	96.6	96.9	101.7	99.3	99.2	0.7
Rice	70.2	70.4	71.4	73.0	73.5	1.2
Fruits	63.7	67.7	65.8	60.1	60.5	-1.3
Vegetables	39.6	39.2	41.2	58.0	53.3	7.7
Beef	25.4	27.0	28.6	29.5	30.1	4.3
Mutton	10.0	10.3	10.6	11.5	12.6	5.9
Milk	4.9	4.9	4.9	5.1	5.2	1.5

Notes: p = preliminary. All units in percentages.
(Source: Ministry of Agriculture and Agro-based Industry)

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

- Generally, Malaysia is moderately reliant on imports for some types of food.
- The local production of food fish, poultry eggs and poultry is sufficient to provide for local consumption of these food commodities as shown above from the self-sufficiency level of above 100.
- Imports constitute a minor proportion of the total consumption of pork, rice and fruits.
- On the other hand, food commodities such as vegetables, beef, mutton and milk are heavily reliant on imports. Nonetheless, the self-sufficiency levels of these food commodities have achieved growth in terms of AAGR between 2008 and 2012, implying lower reliance on imports over the years.
- Food imports are an important supply source for food service operators. In 2013, import value of food amounted to RM38.9 billion and are mainly sourced from the following countries:

Import Value of Food to Malaysia in 2013

	RM million	%
People's Republic of China	3,982	10.2
Argentina.....	3,770	9.7
India.....	3,520	9.0
Indonesia	3,205	8.2
Brazil	3,127	8.0
Australia	3,064	7.9
Thailand.....	2,984	7.7
United States of America.....	2,382	6.1
New Zealand.....	2,185	5.6
Vietnam.....	1,730	4.4

(Source: Department of Statistics)

- Hence, as the raw materials and ingredients required for food preparation and processing are common input materials required by food service operators, food manufacturers as well as the general household, there is a large and readily available supply from local and various overseas sources. As such, the risk of a supply disruption is minimal.
- The Food Service Industry is generally not vulnerable to imports or overseas service providers as it is generally a location-based industry. With the exception of take-away services, food and beverages are generally served and consumed in a fixed location.

11.2 Amusement and Recreation

- Amusement park equipment is fairly reliant on overseas suppliers as total imports of roundabouts, swings, shooting galleries and other fairground amusements amounted to RM56.9 million, RM61.0 million and RM31.0 million in 2011, 2012 and 2013 respectively. In contrast, based on latest available information, local production amounted to only RM5.7 million in 2010.

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

- Nonetheless, the Amusement Park Industry does not require a constant supply of amusement equipment as these items are a form of capital investment, which are not “consumed” from day to day. Other items that are consumed day to day, such as food items and merchandise sold at amusement parks, can be sourced from local suppliers.
- Hence, a supply disruption is not likely to cause material impact to the existing operators of the industry.
- Amusement services are provided and consumed within a fixed location. Being a location-based industry, the Amusement Park Industry is generally not vulnerable to imports or overseas service providers.

12. INDUSTRY PROSPECTS AND OUTLOOK

- The general prospects and outlook of the overall Leisure and Hospitality Industry is expected to be favourable based on the following factors that has shown positive performance.

12.1 Economic Conditions

- A growing economy provides the impetus for private and public spending, which would have a positive flow-on effect on the overall Leisure and Hospitality Industry. The following are some key indicators of the Malaysian economy:
 - Between 2009 and 2013, real GDP of the Malaysian economy grew at an AAGR of 5.7%;
 - In 2013, the Malaysian economy registered a real GDP growth of 4.7%;
 - As for 2014, real GDP for Malaysia is forecasted to grow between 5.5% and 6.0%.

(Sources: Bank Negara Malaysia, Ministry of Finance)

12.2 Population, Income and Expenditure

- As the overall Leisure and Hospitality Industry services the general population, changes in population, income and expenditure would have an impact on the long-term prospects of the industry.
- Some of the relevant indicators are as follows:

Population, Income and Expenditure Indicators of Malaysia

	AAGR (%)
Total Population (2009-2013)	1.6
Per Capita Income (2009-2013)	7.5
Average Monthly Household Expenditure (2004/05-2009/10)	2.3

(Sources: Department of Statistics, Ministry of Finance)

- A growing population would increase the potential customer base for leisure and food services.

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

- Growth in per capita income and average monthly household expenditure may result in increased spending by consumers, which could also have a positive flow on effect on the overall Leisure and Hospitality Industry.
- The total population is forecasted to grow to RM30.5 billion in 2015 growing at an AAGR of 1.3% between 2013 and 2015 (*Source: Department of Statistics*)
- In addition, Malaysia's per capita income is forecasted to grow by 8.9% to RM34,682 in 2014 (*Source: Ministry of Finance*).

12.3 Tourist Arrivals and Receipts

- Apart from the general population in Malaysia, the overall Leisure and Hospitality Industry also serves foreign tourists travelling to Malaysia. Increasing tourist arrivals to Malaysia imply a potentially larger customer base for operators in the overall Leisure and Hospitality Industry while higher tourist receipts would mean greater expenditure by foreign tourists in Malaysia. As such, growth in tourist arrivals and receipts will contribute positively to the overall prospects and outlook of the Leisure and Hospitality Industry.
- Between 2009 and 2013, tourist arrivals to Malaysia grew at an AAGR of 2.1% to reach 25.7 million arrivals, while tourist receipts grew at an AAGR of 5.2% to reach RM65.4 billion in 2013. (*Source: Malaysia Tourism Promotion Board*)

12.4 Government Initiatives

- The Tourism Industry is one of the National Key Economic Areas (NKEA) under the Economic Transformation Programme (ETP). The successful implementation of this will increase tourist arrivals and receipts, thus having a flow-on effect on the overall Leisure and Hospitality Industry in Malaysia. Government support for the Tourism Industry would provide impetus for growth that will ultimately benefit players within the industry including those from the Food Service, and the Amusement and Recreation Industries.
 - The ETP aims to achieve tourist arrivals of 36 million and receipts of RM168 billion by year 2020. This would imply an AAGR of 4.9% and 14.4% respectively between 2013 and 2020. This is expected to be achieved through 12 Entry Point Projects (EPPs), including positioning Malaysia a duty-free shopping destination for tourist goods, establishing Malaysia as a global biodiversity hub, and enhancing connectivity to priority medium-haul markets.
 - A sum of RM2 billion will be provided to the Special Tourism Infrastructure Fund under Bank Pembangunan Malaysia to promote the tourism industry. The Fund will provide soft loans at low interest rates between 4% and 6%, with the Government providing a subsidy of 2%. The Fund will be used to finance the cost of building infrastructure such as hotels, resorts and theme parks as well as purchase and replacement of equipment related to the tourism sector. (*Source: Ministry of Finance*)

7. INDUSTRY OVERVIEW (Cont'd)


VITAL FACTOR CONSULTING

Creating Winning Business Solutions

13. THREATS AND RISK ANALYSIS
13.1 Public Liability

- Operators in the Amusement and Recreation Industry directly serve the general public. In many of the amusement and recreation venues, patrons use equipment, facilities and amenities. As such, there is a risk of equipment failure or incidences leading to injuries or loss of life.
- The occurrence of any such incidents on the premises could subject the operator to legal redress, which may impact financially on the business, as well as contributing to bad publicity for the operator. Any bad publicity may discourage visitors to the venues.
- Operators of food service outlets also face potential incidences at their premises which may lead to consumers seeking for legal redress against them.

Mitigating Factors

- Some incidents are unavoidable, and as such, operators of amusement attractions or food service outlets would normally obtain public liability insurance to reduce their exposure to such risks.
- In addition, operators that exercise due care, consideration and safety may be able to reduce the risk of public liability.
- For instance, operators of amusement parks may implement safety guidelines, procedures and training for employees, routine inspection and maintenance of equipment, as well as posting warning signs for patrons at rides and attractions.
- For operators of food service outlets, due care and consideration may include the proper handling and storage of foods, design of the workplace and the public areas, and other customer interaction procedures.

13.2 Reputation Risk

- Operators in the Food Service Industry are sensitive to public perception as food served at outlets is consumed directly by consumers.
- Incidents such as serving contaminated food that results in food poisoning or other illness, and actions that are intended to cause harm to an operator such as sabotage and the spread of malicious rumours, may damage the public's perception of an operator.
- Incidents that damage the public's perception of an operator may harm its brand name and reputation, which in turn may have a negative effect on their performance.

Mitigating Factors

- Operators in the Food Service Industry can reduce the risk of food contamination by implementing food preparation processes that are certified to comply with recognised standards (such as the ISO 22000 food safety management system), continuously enforcing safe and proper food handling procedures at their outlets, and maintaining clean and hygienic premises.

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

- While acts of sabotage and the spread of malicious rumours are beyond an operator's control, operators may mitigate the harm caused by them by ensuring that their food preparation and handing procedures are adhered to at all times, proactively investigating such incidents in a timely manner, and responding to public concerns.

13.3 Fluctuations in Prices of Raw Materials

- Operators in the Food Service Industry use various types of raw materials and ingredients in the preparation of food and beverages. As such, increases in the prices of raw materials and ingredients could have an impact on the operator's performance. Alternatively, if the increase in cost is passed on to consumers, the operator may not be as price competitive as its competitors.

Mitigating Factors

- Some raw materials such as sugar, wheat flour and cooking oil are classified as price-controlled items by the Ministry of Domestic Trade, Co-operatives and Consumerism (MDTCC). This would provide a certain level of protection from price fluctuations of these raw materials.
- Other raw materials which may not be price controlled items in Malaysia are generally commodities that are subjected to world prices. As such, all operators who use these raw materials are equally affected.

13.4 Economic Slowdown

- Any widespread and/or prolonged economic slowdown would affect consumer confidence and income, and subsequently their propensity to spend. The uncertainty over the global economies, particularly resulting from the euro zone debt crisis, may also affect the Malaysian economy.
- This may cause consumers to be more cautious in their spending, particularly in relation to discretionary items such as amusement attractions and food services. As such, the performance of operators in the Food Service, and Amusement and Recreation Industries may be affected by the risk of economic slowdown.

Mitigating Factors

- As for 2014, real GDP of the Malaysian economy is expected to grow between 5.5% and 6.0%. This is relatively higher than the projected real GDP growth rate for advanced economies* in 2014, which is estimated at 2.0%.

*Note: * Includes Australia, Austria, Belgium, Canada, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Malta, Netherlands, New Zealand, Norway, Portugal, San Marino, Singapore, Slovakia, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States of America.*

(Source: Ministry of Finance; Secondary research by Vital Factor Consulting)

- Various initiatives introduced by the Government such as the 10th Malaysia Plan and ETP will continue to provide opportunities for operators in the Food Service, and Amusement and Recreation Industries, particularly through measures that encourage tourism, such as positioning Malaysia as a duty-free shopping destination for tourist goods, establishing Malaysia as a global biodiversity hub, and enhancing connectivity to priority medium-haul markets.

 7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

- These initiatives are expected to stimulate tourist arrivals and spending, which would help counter the negative effects of a slowdown in the local economy, should one occur.

14. DRIVERS OF GROWTH

- Some of the drivers of growth for the Food Service Industry and the Amusement and Recreation Industry are as follows:
 - **Socio-economic growth** such as growth in GDP and population would drive the demand for discretionary items such as food services, and amusement and recreation activities.
 - **Increasing consumer affluence** as evidenced by increasing per capita income may result in greater purchasing power of the general population, which may translate into an increase in the consumption of discretionary items such as leisure activities and food services.
 - **Change in consumer lifestyle** such as an increasing preference for eating out would provide growth opportunities for operators within the Food Service Industry. Food service outlets cater to consumers' need for convenience, socialisation, and new and varied dining experiences. Similarly, an increasing preference or willingness to spend on leisure, hospitality, amusement and recreational activities would be beneficial for operators.
 - **Government initiatives** as reflected in the Tourism NKEA of the ETP would provide the impetus for growth for operators in the overall Leisure and Hospitality Industry. Growth in the tourism industry, as shown by increasing tourist arrivals and receipts, will translate into greater sales for operators in the industry.

15. CRITICAL SUCCESS FACTORS**15.1 Food Service Industry**

- Critical success factors for operators in the Food Service Industry include the following:
 - **Established Brand Name and Market Reputation:** Established brand names and market reputation for food service outlets play a vital role in winning new and retaining existing customers. Operators that have established brand names and market reputation would have better control of their business directions and at the same time create customer loyalty to sustain and grow the business.
 - **Keeping Abreast with Consumer Tastes and Preferences:** It is essential for operators to keep abreast of consumer tastes and preferences to retain existing customers and to attract new customers. In addition, it will enable operators to address emerging business opportunities to sustain and grow their business.
 - **Financial Stability:** Operators who are in a healthy financial position will be in a better position to upgrade its facilities including the seating and kitchen areas, expand its premises to increase capacity, and undertake development of its brand through advertisements and promotions.

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

15.2 Amusement Industry

- Critical success factors for operators in the Amusement Industry include the following:
 - **Range of Rides and Attractions:** Amusement park that offers a wide range of rides and attractions will be able to meet the diverse preference and requirements of the potential consumer base.
 - **Uniqueness and Innovation:** Operators of amusement parks that invest in continuous innovation and redesign of its rides and attractions would be able to address the changing patterns of consumer tastes and preferences. This will prevent fading customer loyalty from their existing customers.
 - **Established Brand Name and Market Reputation:** An established brand name and market reputation is important in creating a positive image for an amusement park operator as it could provide potential customers with a stronger sense of security, trust and recognition. As such, effective branding would enable operators to sustain and grow its customer base efficiently.
 - **Capacity and Queue Management:** Effective capacity and queue management can be a critical success factor as it ensures customer satisfaction, particularly during peak hours or peak seasons.
 - **Financial Strength:** Operators with a stronger balance sheet will be in a better position to upgrade and replace its equipment and facilities, and undertake development of its brand through advertisements and promotions.

16. MARKET SIZE AND SHARE

16.1 Food Service

Market Size

- In 2013, the market size of the Food Service Industry in Malaysia was estimated at **RM46 billion** based on the sales value of operators of food services.

Market Share

- In 2013, OWG Group had a market share of **less than one percent** of the Food Service Industry based on the Group's sales value from the operation of food service outlets.

16.2 Amusement Park

Market Size

- In 2013, market size for amusement and theme parks in Malaysia was estimated at **RM438 million** based on the sales value of operators of amusement and theme parks.

Market Share

- In 2013, OWG Group had a market share of approximately **2%** of the amusement and theme parks in Malaysia based on the Group's sales value derived from the operation of its water amusement parks (*Source: Vital Factor Consulting Sdn Bhd*).

7. **INDUSTRY OVERVIEW (Cont'd)**



VITAL FACTOR CONSULTING

Creating Winning Business Solutions

We, Vital Factor Consulting Sdn Bhd, had prepared this report in an independent and objective manner and had taken all reasonable consideration and care to ensure the accuracy and completeness of the report. It is our opinion that the report represents a true and fair assessment of the industry within the limitations of, among others, secondary statistics and information, and primary market research. Our assessment is for the overall industry and may not necessarily reflect the individual performance of any company. We do not take any responsibilities for the decisions or actions of readers of this document. This report should not be taken as a recommendation to buy or not to buy the shares of any company.

Yours sincerely

Wooi Tan
Managing Director

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT

8.1 Promoters and Substantial Shareholders

8.1.1 Promoters and Substantial Shareholders' Shareholdings

The Promoters and substantial shareholders and their respective shareholdings in our issued and paid-up share capital before our IPO and after the Flotation Exercise are as follows:

Name	Nationality / Place of incorporation	Designation	Before our IPO		After the Flotation Exercise		
			Direct	Indirect	Direct	Indirect	
			No. of Shares	No. of Shares	No. of Shares	No. of Shares	
Promoters and substantial shareholders							
Dato' Koh Cheng Keong	Malaysian	Managing Director / Group Chief Executive Officer	107,684,688	20,110,010 ^(a)	-	127,794,698 ^(c)	69.08
Datin Chew Lean Hong	Malaysian	Executive Director / Group Chief Operating Officer	20,110,010	107,684,688 ^(b)	-	127,794,698 ^(c)	69.08
Substantial shareholder							
Rich Dad	Malaysia	-	-	-	127,794,698*	-	69.08

Notes:

* During the prescription period, our Promoters will transfer a total of 127,794,698 Shares to Rich Dad via Share Transfer. Please refer to Section 5.5.3 of this Prospectus for further details.

(a) Deemed interested by virtue of the direct interest of his spouse, Datin Chew Lean Hong in OWG.

(b) Deemed interested by virtue of the direct interest of her spouse, Dato' Koh Cheng Keong in OWG.

(c) Deemed interested by virtue of his / her direct interest in Rich Dad, which in turn has a direct shareholdings of 69.08% in OWG, pursuant to Section 6A of the Act.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.1.2 Profile of Promoters and Substantial Shareholders

The substantial shareholders of our Company will consist of Rich Dad, Dato' Koh Cheng Keong and Datin Chew Lean Hong (the Promoters and substantial shareholders of Rich Dad), pursuant to the Share Transfer. The profiles of our substantial shareholders, namely Rich Dad, Dato' Koh Cheng Keong and Datin Chew Lean Hong are set out in Sections 5.5.3.1 and 8.2.2 of this Prospectus, respectively.

8.1.3 Changes in Promoters and Substantial Shareholders' Shareholdings in Our Company Since Incorporation

Save as disclosed below, there has been no change in Promoters' and substantial shareholders' shareholdings in our Company since the date of incorporation up to the completion of the Flotation Exercise:

Names of Promoters / substantial shareholders	As at incorporation				As at 25 February 2013			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Koh Cheng Keong	1	50.00	1 ^(a)	50.00	2 ^(a)	33.33	2 ^(a)	33.33
Datin Chew Lean Hong	1	50.00	1 ^(b)	50.00	2 ^(c)	33.33	2 ^(b)	33.33
Ng Kuan Hua	-	-	-	-	1 ^(d)	16.67	-	-
Lim Kim Mooi	-	-	-	-	1 ^(d)	16.67	-	-

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Names of Promoters / substantial shareholders	After the Acquisitions				After the Flotation Exercise			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Koh Cheng Keong	107,684,688	83.74	20,110,010 ^(a)	15.64	-	-	127,794,698 ^(e)	69.08
Datin Chew Lean Hong	20,110,010	15.64	107,684,688 ^(b)	83.74	-	-	127,794,698 ^(e)	69.08
Ng Kuan Hua	1	#	-	-	280,001	0.15	-	-
Lim Kim Mooi	1	#	-	-	1	#	-	-

Notes:

Negligible.

(a) Deemed interested by virtue of the direct interest of his spouse, Datin Chew Lean Hong in OWG.

(b) Deemed interested by virtue of the direct interest of her spouse, Dato' Koh Cheng Keong in OWG.

(c) OWG has sub-divided the par value of its ordinary shares from RM1.00 to RM0.50 per share.

(d) Allotment of one (1) Share of RM0.50 each at par to Ng Kuan Hua and Lim Kim Mooi satisfied by way of cash consideration.

(e) Deemed interested by virtue of his / her direct interest in Rich Dad, which in turn has a direct shareholdings of 69.08% in OWG, pursuant to Section 6A of the Act.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.2 Directors

8.2.1 Directors' Shareholdings

The Directors and their respective shareholdings in our issued and paid-up share capital before our IPO and after the Flotation Exercise are as follows:

Name	Nationality	Designation	Before our IPO		After the Flotation Exercise				
			Direct	Indirect	Direct	Indirect			
			No. of Shares	%	No. of Shares	%	No. of Shares	%	
Dato' Dr. Tengku Rethwan Tengku Mansor	Malaysian	Independent Non-Executive Chairman	-	-	240,000	0.13	-	-	
Dato' Koh Cheng Keong	Malaysian	Managing Director / Group Chief Executive Officer	107,684,688	83.74	20,110,010 ^(a)	15.64	-	127,794,698 ^(c) 69.08	
Datin Chew Lean Hong	Malaysian	Executive Director / Group Chief Operating Officer	20,110,010	15.64	107,684,688 ^(b)	83.74	-	127,794,698 ^(c) 69.08	
Ng Kuan Hua	Malaysian	Executive Director / General Manager	1	#	-	-	280,001	0.15	-
Wong Huey Miin	Malaysian	Independent Non-Executive Director	-	-	-	-	240,000	0.13	-
Ooi Guan Hoe	Malaysian	Independent Non-Executive Director	-	-	-	-	240,000	0.13	-

Notes:

Negligible.

(a) Deemed interested by virtue of the direct interest of his spouse, Datin Chew Lean Hong in OWG.

(b) Deemed interested by virtue of the direct interest of her spouse, Dato' Koh Cheng Keong in OWG.

(c) Deemed interested by virtue of his / her direct interest in Rich Dad, which in turn has a direct shareholdings of 69.08% in OWG, pursuant to Section 6A of the Act.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.2.2 Profile of Our Directors**(i) Dato' Dr. Tengku Rethwan Bin Tengku Mansor ("Dato' Dr. Tengku Rethwan")**

Dato' Dr. Tengku Rethwan, aged 60, a Malaysian, is our Independent Non-Executive Chairman and was appointed to our Board on 14 June 2013. He has obtained a Diploma in Science from Institut Teknologi MARA (now known as Universiti Teknologi MARA) in 1975. Subsequently, he completed his Bachelor of Medicine and Bachelor of Surgery (MBBS) from Universiti Malaya in 1981 and obtained a Master Degree in Business Administration (MBA) from Universiti Malaya in 2000 as well as a Bachelor of Law (LLB) from University of London in 2012. He is currently enrolled with the University of Amsterdam, Netherlands as a Doctor of Philosophy (Ph.D) candidate on Social Networking in Entrepreneurship.

Dato' Dr. Tengku Rethwan began his career in 1981 with University Hospital Kuala Lumpur as a house officer. In 1982, he joined the Faculty of Medicine at University of Malaya as a trainee lecturer. In 1989, he started his own medical practice, Klinik Rakan Medik and was a general practitioner up to 1995. Between 1993 and 1996, he also served as a Town Counselor with Majlis Perbandaran Petaling Jaya. Subsequent to that, Dato' Dr. Tengku Rethwan has ventured into numerous businesses which includes, property development, construction, automotive, telecommunication, tourism, education, electronic commerce as well as media and publishing industries. He also sits on the board of several other private limited companies based in Malaysia and overseas.

(ii) Dato' Koh Cheng Keong

Dato' Koh Cheng Keong, aged 60, a Malaysian, is our founder and was appointed as the Managing Director and Chief Executive Officer of our Group on 8 November 2012.

As the Chief Executive Officer, he is primarily responsible for the overall management, strategic planning, business development and financial supervision of the operations of our Group. In addition, he participates in the selection and bidding process of new food service outlet locations.

He has completed his secondary education in 1971. He founded Syarikat World Equipment in 1973, where he was involved in the indoor and outdoor theme park entertainment industry where he focused on the concept of a family entertainment centre in Malaysia through combining the various elements of the amusement and recreation industry. Subsequently in 1999, he diversified his interest into the F&B business. He is an active member of various international associations of amusement parks. He held position of President of the Malaysian Association of Amusement Themepark & Family Attractions (MAATFA) from 2003 and was subsequently appointed as the Honorary Advisor of MAATFA in 2013. In addition, he has been a member of the ASEAN Advisory of The International Association of Amusement Parks & Attractions (IAAPA) since 2002 and has also been part of the board of directors of IAAPA from 2013. He was also the Vice President of ASEAN Retails Chain Association (ARFF) in 2012 and subsequently became the President of ARFF in 2013. Dato' Koh Cheng Keong is currently a member of the World Waterpark Association (WWA).

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

(iii) Datin Chew Lean Hong

Datin Chew Lean Hong, aged 58, Malaysian, is the Executive Director and Chief Operating Officer of our Group. She was appointed to the Board on 8 November 2012.

After completing her secondary education in 1973, she began her career in Syarikat World Equipment, where she was involved in the day-to-day operation of the company. Since then, she has been actively involved in the management and business functions of our Group. She has also completed a course on Park Operations and Crisis Management at Cornell University, United States in 1997.

As the Chief Operating Officer, she is currently responsible for the overall management of the day-to-day operations, special projects and business development functions of our Group. She was also responsible for developing software system that we currently use in our water amusement parks. This system enables us to monitor and control all operational aspects including admissions, inventory control and central purchasing. In addition, she is responsible for formulating the speciality beverages served at our food service outlets operating under our own brands, including "1 Meter Teh" and "honey cucumber", and developed the menu for *Only Mee* drawing recipes from Indian, Malay, Chinese and Western cuisines. She is involved in researching and developing menus and food concepts for the food service outlets operating under our own brands. She has successfully managed the certification process for the food safety management systems certifications that was obtained by our centralised kitchen facility. Also, under her management, our Group has achieved the National Record that was awarded by The Malaysian Book of Records for the "First food court to receive three food safety certifications" namely, the ISO 22000:2005 Food Safety Management Systems certification, MS 1480:2007 HACCP Systems certification and MS 1514:2009 GMP for food certification.

(iv) Ng Kuan Hua

Ng Kuan Hua, aged 36, a Malaysian, is our Executive Director and General Manager of our Group, and was appointed to our Board on 14 June 2013. He graduated with a Bachelor of Arts in Accounting in 1999 from University of Hertfordshire, United Kingdom. He then obtained his Masters of Commerce (Applied Finance) degree from the University of Queensland, Australia in 2001.

As the General Manager, he is responsible for the management of daily business operations which include monitoring, evaluating and improving the business processes. He began his career in 2001 with Bumiputra-Commerce Bank Berhad (now known as CIMB Bank Berhad) as a Business Analyst. Two (2) years later, he joined Anuarul Azizan Chew Consulting Sdn Bhd as a Senior Auditor / Business Consultant in 2003. Subsequently, he joined other various private and public limited companies such as Petra Perdana Berhad (now known as Perdana Petroleum Berhad) as a Senior Corporate Executive in 2005, Fortune Laboratories Sdn Bhd as a Finance and Operations Manager in 2007, our Group as the Corporate Finance Manager in 2009 and Nextnation Communication Berhad as the Corporate Finance Manager in 2010. In 2011, he left Nextnation Communication Berhad and re-joined our Group as the Corporate Finance Manager. In 2013, he was promoted to General Manager of our Group.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (*Cont'd*)

(v) **Wong Huey Miin**

Wong Huey Miin, aged 38, a Malaysian, is our Independent Non-Executive Director and was appointed to our Board on 14 June 2013.

She obtained her Bachelor of Laws degree from University of Nottingham, United Kingdom in 1998. In 1999, she completed the Certificate of Legal Practice in Malaysia and was admitted to the High Court of Malaya as an advocate and solicitor in 2000.

She began her legal career with Skrine in the field of commercial litigation and subsequently joined Messrs. Soo Thien Ming & Nashrah in 2001, where she practised corporate and corporate banking laws. She then joined Messrs. Wong-Cheng Kiat-Loh as a Partner in 2012. Subsequently, in 2014, she joined Messrs John Yong & Irene Song as a Partner and is currently practising as an advocate and solicitor of the Malaysian Bar. Through her professional experience, she was involved in corporate exercises which includes initial public offerings, bonus issue, share split, rights issue, acquisitions, joint ventures, project development as well as bonds and Sukuk issuances.

(vi) **Ooi Guan Hoe**

Ooi Guan Hoe, aged 39, a Malaysian, is our Independent Non-Executive Director and was appointed to our Board on 14 June 2013.

He obtained his Bachelor Degree in Accountancy (Honours) from University Putra Malaysia in 1999 and is a member of the Malaysian Institute of Accountants. He attended the Harvard Business School Executive Education on Private Equity and Venture Capital in 2011.

Ooi Guan Hoe began his career with Arthur Andersen (which later merged with Ernst & Young) where he was involved in the statutory audits of public listed companies, financial due diligence exercises, reporting accountant work, feasibility studies, compliance review and financial modelling for the purposes of mergers and acquisitions. In November 2002, he joined the Corporate Finance team of CIMB Investment Bank Berhad ("CIMB") and was involved in marketing, originating and implementing corporate proposals such as initial public offerings, mergers and acquisitions, real estate investment trusts, joint ventures, fund-raising exercises, privatisation exercises and general financial advisory work. He left CIMB as a Senior Manager in October 2009.

Currently, he sits on the board of director of Xingquan International Sports Holdings Limited, a company listed on the Main Market as a Non-Independent Non-Executive Director and is also a member of the audit and remuneration Committee.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.2.3 Principal Activities Performed Outside Our Group

None of our Directors hold other principal directorships and / or business activities performed outside of our Group at present and in the past five (5) years prior to the date hereof, save for the following:

Name of Director	Directorships	Principal activities	Involvement in business activities other than as a Director	Date of resignation / shareholdings disposed off
Dato' Dr. Tengku Rethwan	<u>Present directorships:</u> Amazon Element Sdn Bhd Angsana Embun Sdn Bhd Astrom Resources Sdn Bhd Batumadu Sdn Bhd Berjaya Higher Education Sdn Bhd Dancom Holdings (M) Berhad Dancom Nct Services Sdn Bhd Dancom Systems Sdn Bhd Dancom Technologies Sdn Bhd Dancom Telecommunications (M) Sdn Bhd Dancom TT&L Telecommunications (M) Sdn Bhd	Dormant. Principally involved in investment holding. Dormant. Principally involved in investment and dealing in properties. Principally involved in operating a private university college. Dormant. Principally involved in the sale and distribution of computer hardware and software and provision of system integration services and other related services. Principally involved in installation of telecommunications structure and equipment and provision of related engineering solutions. Dormant. Principally involved in trading and installation of telecommunication equipment and apparatus. Principally involved in trading of telecommunications equipment and provision of related services.	None Shareholder Shareholder Shareholder None Shareholder None None None None None None	- - - - - - - - - - -

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of Director	Directorships	Principal activities	Involvement in business activities other than as a Director	Date of resignation / shareholdings disposed off
Dato' Dr. Tengku Rethwan (Cont'd)	<u>Present directorships (Cont'd):</u> Deru Klasik Sdn Bhd Desiran Hebat Sdn Bhd Dunia Prestasi Auto Sdn Bhd Elite Forest Sdn Bhd Gagasan Properties Sdn Bhd Ganda Kuat Sdn Bhd Grand Achievers Sdn Bhd Hasil Inspirasi Sdn Bhd Healthaxis Sdn Bhd Hiza Corporation Sdn Bhd Ideal Forest Sdn Bhd I Huba Sdn Bhd Indah Pusaka Sdn Bhd Jelang Sejahtera Sdn Bhd Jelita Seleksi Sdn Bhd Jetflo Robin (M) Sdn Bhd Klinik Rakan Medik Sdn Bhd Kotaraja Bhd Kuai Meat Sdn Bhd	Principally involved in investment holding and property investment. Principally involved in investment holding. Principally involved in sale and servicing of vehicles. Principally involved in forest management ^(a) . Dormant. Principally involved in investment holding. Dormant. Dormant ^(a) . Principally involved in dealing with total hospital solution ^(a) . Principally involved in investment holding. Principally involved in forest management and development ^(a) . Principally involved in general trading. Principally involved in investment holding. Dormant. Principally involved in retailing of new and used motor vehicles. Winding up. Principally involved in providing medical consultancy, care services and facilities. Principally involved in business of real property and housing development. Dormant ^(a) .	Shareholder Shareholder None Shareholder Shareholder Shareholder Shareholder None Shareholder None Shareholder Shareholder Shareholder Shareholder None Shareholder Shareholder Shareholder None Shareholder Shareholder None	- -

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of Director	Directorships	Principal activities	Involvement in business activities other than as a Director	Date of resignation / shareholdings disposed off
Dato' Dr. Tengku Rethwan (Cont'd)	Present directorships (Cont'd):			
	Mandat Warrisan Sdn Bhd	Principally involved in business of construction.	Shareholder	-
	Muara Setara Sdn Bhd	Principally involved in investment holding.	Shareholder	-
	Mudara Sdn Bhd	Dormant.	Shareholder	-
	Pantai Cemerlang Sdn Bhd	Principally involved in investment holding.	Shareholder	-
	Pelabuhan Bersepadu Sdn Bhd	Principally involved in port management, transportation and general merchant.	None	-
	Pelangi Tinggi Sdn Bhd	Principally involved in investment holding and property investment.	Shareholder	-
	Permata Dayu Sdn Bhd	Principally involved in investment holding.	Shareholder	-
	Pesumals (M) Sdn Bhd	Principally involved in investment holding ^(a) .	None	-
	Poon & Tengku Holdings Sdn Bhd	Winding up.	None	-
	President Academy Sdn Bhd	Principally involved in the business of educational facilities for teaching, learning and training and other related activities.	Shareholder	-
	Sime Darby Hyundai Sdn Bhd	Principally involved in importation of motor vehicles and investment holding.	None	-
	Sinaran Klasik Sdn Bhd	Dormant.	Shareholder	-
	SNN Sdn Bhd	Dormant.	Shareholder	-
	Swifttransfer Sdn Bhd	Dormant.	Shareholder	-
	Tad Holidays Sdn Bhd	Dormant.	Shareholder	-
	Tad Network Sdn Bhd	Dormant.	Shareholder	-
	Tadmansori Aquamarine Sdn Bhd	Dormant.	None	-
			Shareholder	-

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of Director	Directorships	Principal activities	Involvement in business activities other than as a Director	Date of resignation / shareholdings disposed off
Dato' Dr. Tengku Rethwan (Cont'd)	<u>Present directorships (Cont'd):</u> Tadmansori Computer Network Sdn Bhd Tadmansori Holdings Sdn Bhd Tadmansori Hotel Resort Sdn Bhd Tadmansori-IT Sdn Bhd Tadmansori Properties Sdn Bhd Taktik Baru Sdn Bhd The P T Group of Companies Sdn Bhd Three Wells Corporation (MM2H) Sdn Bhd Tradenex.com Sdn Bhd Tropicana Development Sdn Bhd Tunas Cempaka Sdn Bhd Unikuasa Vista Sdn Bhd Unitalia (M) Sdn Bhd United Carpets Manufacturing Sdn Bhd	Principally involved in business as supplier and distributors of computer hardware and software and related products. Principally involved in investment holdings and provision of management services. Dormant. Dormant. Principally involved in property investment. Principally involved in investment holding. Dormant ^(e) . Principally involved in consultancy services for MM2H application and other related services. Principally involved in operation of electronic commerce portal service, consultancy and management services on enterprise resource planning (ERP), enterprise resource management (ERM) and computer software consultancy and management Principally involved in property development and investment holding. Dormant. Principally involved in general trading. Principally involved in selling home furnishings ^(e) . Principally involved in property investment.	Shareholder Shareholder None None Shareholder Shareholder None Shareholder None None Shareholder Shareholder Shareholder Shareholder Shareholder Shareholder Shareholder Shareholder Shareholder Shareholder Shareholder None None Shareholder Shareholder None None	- -

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of Director	Directorships	Principal activities	Involvement in business activities other than as a Director	Date of resignation / shareholdings disposed off
Dato' Dr. Tengku Rethwan (Cont'd)	<u>Present directorships (Cont'd):</u> United Livestock Sdn Bhd Upright Advance Industries Sdn Bhd	Principally involved in business as dealers in livestock products ^(a) . Principally involved in business as manufacturer ^(a) .	None Shareholder	- -
	<u>Previous directorships:</u> Advance Defence Systems Sdn Bhd Am Prestige Sdn Bhd Detas Corporation Sdn Bhd Era Kiara Sdn Bhd Genuine Synergy Sdn Bhd Grandeur Auto Sdn Bhd Lambaian Adiwarna Sdn Bhd M.V. Production Sdn Bhd Palm Springs Development Sdn Bhd QC-Servis Sdn Bhd Satu Gritu (M) Sdn Bhd	Dormant. Principally involved in marketing, distribution, and dealing in motor vehicles. Dissolved on 04.11.2011. Dissolved on 10.06.2010. Dissolved on 21.10.2011. Principally involved in business as used car dealer. Principally involved in provision of consultancy services in general medical practice. Dissolved on 04.11.2011. Principally involved in property development. Dissolved on 06.08.2010. Dissolved on 21.10.2011.	None None Shareholder Shareholder Shareholder None None None None Shareholder Shareholder	23.04.2010 12.05.2014 04.11.2011 / 04.11.2011 10.06.2010 / 10.06.2010 21.10.2011 / 21.10.2011 11.03.2013 27.12.2011 04.11.2011 01.03.2013 06.08.2010 / 06.08.2010 21.10.2011 / 21.10.2011

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of Director	Directorships	Principal activities	Involvement in business activities other than as a Director	Date of resignation / shareholdings disposed off
Dato' Dr. Tengku Rethwan (Cont'd)	<u>Previous directorships (Cont'd):</u> Tadmansori Industries Sdn Bhd	Dissolved on 21.10.2011.	Shareholder	21.10.2011 / 21.10.2011
	Timber Base Sdn Bhd	Principally involved in business of engineering works, services and general construction.	Shareholder	10.12.2012
	Vertical Score Sdn Bhd	Principally involved in provision of primary healthcare and other related services.	None	28.12.2011
	Yakin Bakti Sdn Bhd	Principally involved in property investment.	None	08.05.2012
Dato' Koh Cheng Keong	<u>Present directorships:</u> Awana Goldhill Sdn Bhd	Principally involved in investment holding and property development.	Shareholder	-
	Cristal Lagoon Sdn Bhd (formerly known as Vibrant Interest Sdn Bhd)	Dormant.	None	-
	Funworld In Motion Sdn Bhd	Dormant.	Shareholder	-
	Genting Goldhill Sdn Bhd	Has yet to commence business operation.	Shareholder	-
	Projects World Sdn Bhd	Has yet to commence business operation.	Shareholder	-
	Rich Dad	Principally involved in investment holding.	Shareholder	-
	Segaman Jaya Sdn Bhd	Dormant ^(b) .	Shareholder	-
	Segaman Makmur Sdn Bhd	Dormant ^(c) .	Shareholder	-
	Theme Park Concepts & Services Sdn Bhd	Principally involved in the business of consultation, design, installation, manufacturing and maintenance of theme park equipment and in the supply of related parts and components.	Shareholder	-

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of Director	Directorships	Principal activities	Involvement in business activities other than as a Director	Date of resignation / shareholdings disposed off
Dato' Koh Cheng Keong (Cont'd)	<u>Present directorships (Cont'd):</u> Themed Entertainment, Attractions & Restaurants Sdn Bhd World Equipment Sdn Bhd	Dormant.	Shareholder	-
	Worldbuilt Sdn Bhd	Principally involved in the business as a consultant, dealer and contractor of water and recreational parks, operators of amusement facilities and in investment holding.	Shareholder	-
	World Equipment Pre Ltd	Principally involved in the management of construction projects.	Shareholder	-
	<u>Previous directorships:</u> Acme Approach Sdn Bhd Acme Brilliant Sdn Bhd	Principally involved in the business as a theme park builder.	Shareholder	-
	Dee Eng Industries (M) Sdn Bhd	Dissolved on 23.05.2014.	None	23.05.2014
	DS Flavours Sdn Bhd	Principally involved in the business as a franchisee of a fast food restaurant.	Shareholder	18.10.2012 / 04.10.2012
	Fun & Food Concept Sdn Bhd	Principally involved in investment holding.	None	23.10.2010
	Intact Express Sdn Bhd	Principally involved in the business as a operator of a fast food restaurant.	Shareholder	06.08.2012 / 06.08.2012
	Only World Group Berhad	Has yet to commence business operation.	Shareholder	22.04.2013 / 22.04.2013
	Only Yi Kou Pau Sdn Bhd	Dissolved on 12.11.2013.	Shareholder	12.11.2013 / 12.11.2013
		Dissolved on 28.02.2014.	Shareholder	28.02.2014 / 28.02.2014
		Dissolved on 20.12.2013.	Shareholder	20.12.2013 / 20.12.2013

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of Director	Directorships	Principal activities	Involvement in business activities other than as a director	Date resignation / shareholdings disposed off
Dato' Koh Cheng Keong (Cont'd)	<u>Previous directorships (Cont'd):</u>			
	Themed Home Concepts & Development Sdn Bhd	Dormant.	None	26.02.2014
	Themed World Sdn Bhd	Dormant.	None	26.02.2014
	Thung Teng Restaurants & Cafes Sdn Bhd	Dormant.	Shareholder	28.02.2013 / 28.02.2013
	Only Mee Pte Ltd	Dissolved on 19.02.2014.	None	19.02.2014
	Platinum Paradise Pte Ltd	Dissolved on 19.02.2014.	Shareholder	19.02.2014 / 19.02.2014
Datin Chew Lean Hong	<u>Present directorships:</u>			
	Cristal Lagoon Sdn Bhd (formerly known as Vibrant Interest Sdn Bhd)	Dormant.	None	-
	Funworld In Motion Sdn Bhd	Dormant.	Shareholder	-
	Genting Goldhill Sdn Bhd	Has yet to commence business operation.	Shareholder	-
	Segaman Jaya Sdn Bhd	Dormant ^(b) .	-	-
	Segaman Makmur Sdn Bhd	Dormant ^(c) .	Shareholder	-
	Positive Educational Ventures Sdn Bhd	Has yet to commence business operation.	Shareholder	-
	Projects World Sdn Bhd	Has yet to commence business operation.	Shareholder	-
	Rich Dad	Principally involved in investment holding.	Shareholder	-
	Theme Park Concepts & Services Sdn Bhd	Principally involved in the business of consultation, design, installation, manufacturing and maintenance of theme park equipment and in the supply of related parts and components.	Shareholder	-

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of Director	Directorships	Principal activities	Involvement in business activities other than as a director	Date resignation / shareholdings disposed off
Datin Chew Lean Hong	<u>Present directorships (Cont'd):</u> Themed Entertainment, Attractions & Restaurants Sdn Bhd World Equipment Sdn Bhd	Dormant. Principally involved in the business as a consultant, dealer and contractor of water and recreational parks, operators of amusement facilities and in investment holding. Principally involved in the management of construction projects. Principally involved in the business as a theme park builder.	Shareholder Shareholder Shareholder Shareholder	- - - -
	<u>Previous directorships:</u> Acmc Approach Sdn Bhd Awana Goldhill Sdn Bhd Dee Eng Industries (M) Sdn Bhd Fun & Food Concept Sdn Bhd Intact Express Sdn Bhd Only World Group Berhad Only Yi Kou Pau Sdn Bhd	Dissolved on 23.05.2014. Principally involved in investment holding and property development. Principally involved in investment holding. Has yet to commence business operation. Dissolved on 12.11.2013. Dissolved on 28.02.2014. Dissolved on 20.12.2013.	None None None Shareholder Shareholder Shareholder Shareholder	23.05.2014 26.02.2013 23.10.2010 22.04.2013 / 22.04.2013 12.11.2013 / 12.11.2013 28.02.2014 / 28.02.2014 20.12.2013 / 20.12.2013

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of Director	Directorships	Principal activities	Involvement in business activities other than as a director	Date resignation / shareholdings disposed off
Datin Chew Lean Hong (Cont'd)	<p><u>Previous directorships (Cont'd):</u></p> <p>Themed Home Concepts & Development Sdn Bhd</p> <p>Themed World Sdn Bhd</p> <p>Thung Teng Restaurants & Cafés Sdn Bhd</p> <p>Only Mee Pie Ltd</p> <p>Sweetee Paradise Pte Ltd</p>	<p>Dormant.</p> <p>Dormant.</p> <p>Dormant.</p> <p>Dissolved on 19.02.2014.</p> <p>Dissolved on 03.09.2011.</p>	<p>None</p> <p>None</p> <p>Shareholder</p> <p>None</p> <p>Shareholder</p>	<p>26.02.2014</p> <p>26.02.2014</p> <p>28.02.2013 / 28.02.2013</p> <p>19.02.2014</p> <p>03.09.2011 / 03.09.2011</p>
Wong Huey Miin	<p><u>Present directorships:</u></p> <p>Ria Awana Sdn Bhd</p> <p>Xeniacles Sdn Bhd</p> <p><u>Previous directorships:</u></p> <p>Richtree Global Sdn Bhd</p>	<p>Principally involved in investment holding.</p> <p>Principally involved in investment holding.</p> <p>Principally involved in other business support service activities, other retail sale not in stores, stalls or market and holding companies.</p>	<p>None</p> <p>Shareholder</p> <p>Shareholder</p>	<p>-</p> <p>10.01.2014</p>

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of Director	Directorships	Principal activities	Involvement in business activities other than as a director	Date resignation / shareholdings disposed off
Ng Kuan Hua	<u>Present directorships:</u> Premier Intuit Sdn Bhd Supreme Coral Sdn Bhd <u>Previous directorships:</u> Gulfway Designs Sdn Bhd	Has yet to commence business operation. Principally involved in investment holding.	Shareholder None	- -
Ooi Guan Hoe	<u>Present directorships:</u> Xingquan International Sports Holdings Limited Teo Capital Partners Sdn Bhd <u>Previous directorship:</u> K-Star Sports Limited	Has yet to commenced business operations. Principally involved in investment holding whilst through its subsidiaries it is involved in manufacturing and sales of shoes, apparels and accessories. Has yet to commence business operation. Principally involved in investment holding whilst through its subsidiaries it is involved in design, manufacture and distribution of sport foot wear, apparel and accessories.	Shareholder Shareholder Shareholder None	20.10.2014 - - 31.08.2010

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Notes:

- (a) Based on the CCM website (<http://www.ssm.com.my/en/>), an application was submitted under Section 308 of the Act to strike off the respective companies.
- (b) Segaman Jaya Sdn Bhd has submitted an application to strike off on 29 May 2013 under Section 308 of the Act.
- (c) Segaman Makmur Sdn Bhd has submitted an application to strike off on 28 December 2012 under Section 308 of the Act.

Our Directors are of the view that their involvement in other business activities outside our Company will not affect their contributions to our Group and would not be expected to affect the operations of our Group as the time and effort spent in the abovementioned companies are minimal with some of these companies being dormant.

In addition, the involvement in other business activities outside our Group held by our Directors does not give rise to any conflict of interest with our business.

8.2.4 Directors' Remuneration and Material Benefits-in-Kind

The aggregate current and proposed remuneration for services rendered / to be rendered by our Directors in all capacities to our Group for the FYE 30 June 2012 up to FYE 30 June 2015:

Name	Remuneration band (RM)			
	FYE 30 June 2012 (Actual)	FYE 30 June 2013 (Actual)	FYE 30 June 2014 (Actual)	FYE 30 June 2015 (Proposed)
Dato' Dr. Tengku Rethwan	*	Nil	50,000 – 100,000	70,000 – 120,000
Dato' Koh Cheng Keong	350,000 – 400,000	700,000 – 750,000	700,000 – 750,000	800,000 – 850,000
Datin Chew Lean Hong	550,000 – 600,000	700,000 – 750,000	700,000 – 750,000	800,000 – 850,000
Ng Kuan Hua	50,000 – 100,000	100,000 – 150,000	200,000 – 250,000	250,000 – 300,000
Wong Huey Miin	*	Nil	50,000 – 100,000	60,000 – 110,000
Ooi Guan Hoc	*	Nil	50,000 – 100,000	60,000 – 110,000

Note:

- * Effective appointment date is 14 June 2013.

The above remuneration, which comprise salaries, bonuses, fees, allowances and other benefits-in-kind must be considered and recommended by the Remuneration Committee and subsequently approved by our Board. Our Directors' fees are subject to shareholders' approval at general meeting.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

8.2.5 Benefits Paid or Intended to be Paid or Given to Promoters, Directors or Substantial Shareholders

Save as disclosed in Section 8.2.4 above, no amounts or benefits were paid or intended to be paid or given to any Promoters, Directors or substantial shareholders by our Company within the two (2) years preceding the date of this Prospectus.

8.2.6 Directors' Term of Office

As at the LPD, the details of the date of expiration of the current term of office for each of our Directors and the period for which the Director has served in that office are as follows:

Name	Designation	Date of appointment	Date of expiration of the current term of office	No. of year(s) in office
Dato' Dr. Tengku Rethwan	Independent Non-Executive Chairman	14.06.2013	2015 annual general meeting	< 2
Dato' Koh Cheng Keong	Managing Director / Group Chief Executive Officer	08.11.2012	2014 annual general meeting	< 2
Datin Chew Lean Hong	Executive Director / Group Chief Operating Officer	08.11.2012	2014 annual general meeting	< 2
Ng Kuan Hua	Executive Director	14.06.2013	2015 annual general meeting	< 2
Wong Huey Miin	Independent Non-Executive Director	14.06.2013	2016 annual general meeting	< 2
Ooi Guan Hoe	Independent Non-Executive Director	14.06.2013	2016 annual general meeting	< 2

In accordance with Article 95 of our Articles of Association, at the first (1st) annual general meeting of our Company, all Directors shall retire from office and at the annual general meeting every subsequent year, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) with minimum of one (1), shall retire from office, and an election of Directors shall take place at each annual general meeting of our Company. Each Director shall retire from office once at least in every three (3) years but shall be eligible for re-election. A Director retiring at a meeting shall retain office until the close of the meeting.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.3 Audit, Remuneration and Nomination Committee

8.3.1 Audit Committee

Our Audit Committee was established on 14 June 2013 and the members of the Audit Committee consist of the following:

Name	Designation	Directorship
Ooi Guan Hoe	Chairman	Independent Non-Executive Director
Dato' Dr. Tengku Rethwan	Member	Independent Non-Executive Chairman
Wong Huey Miin	Member	Independent Non-Executive Director

Our Audit Committee's terms of reference include the following:

- (i) recommend to our Board the appointment or reappointment of our Group's external auditors;
- (ii) review the findings and scope of any audit and other services provided by our Group's external auditors;
- (iii) review and evaluate our Group's internal audit and control functions;
- (iv) assess the financial risk and matters relating to related party transactions and conflict of interests;
- (v) review our quarterly results and annual financial statements before the approval by our Board, focusing particularly on, *inter-alia*, changes in or implementation of major accounting policy and practices, significant and unusual events, significant adjustments arising from the audit, compliance with accounting standards and other legal requirements; and
- (vi) perform any other functions as may be requested by our Board.

The Audit Committee may obtain advice from independent parties and other professionals in the performance of its duties. The performance and term of office of the Audit Committee and each of its members shall be reviewed by our Board at least once in every three (3) years to determine such Audit Committee and members have carried out their duties in accordance with their term of reference.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.3.2 Remuneration Committee

Our Remuneration Committee was established on 14 June 2013 and the members of the Remuneration Committee consist of the following:

Name	Designation	Directorship
Wong Huey Miin	Chairman	Independent Non-Executive Director
Dato' Dr. Tengku Rethwan	Member	Independent Non-Executive Chairman
Dato' Koh Cheng Keong	Member	Managing Director / Group Chief Executive Officer

Our Remuneration Committee's terms of reference include the following:

- (i) assess and recommend to our Board the appropriate remuneration packages and benefits for the Directors;
- (ii) assist our Board in assessing the responsibility and commitment undertaken by our Board;
- (iii) assist our Board in ensuring the remuneration packages and benefits for our Directors commensurate with the responsibility and commitment of the Directors concerned; and
- (iv) ensure corporate accountability and governance in respect of the remuneration and benefits given to the Directors.

8.3.3 Nomination Committee

Our Nomination Committee was established on 14 June 2013 and the members of the Nomination Committee consist of the following members:

Name	Designation	Directorship
Wong Huey Miin	Chairman	Independent Non-Executive Director
Dato' Dr. Tengku Rethwan	Member	Independent Non-Executive Chairman
Ooi Guan Hoe	Member	Independent Non-Executive Director

Our Nomination Committee's terms of reference include the following:

- (i) assess and review the effectiveness of our Board including the structure, size, composition of the members and ability of each Director in carrying out their obligations and duties as a Director;
- (ii) assess and recommend to our Board, eligible candidates for directorships to fill the seats on the Board committees when the need arises; and
- (iii) ensure the implementation of an appropriate training programme framework and succession planning for our Board.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.4 Key Management

8.4.1 Key Management's Shareholdings

The direct and indirect interests of our key management in our issued and paid-up share capital before IPO and after the Flotation Exercise are as follows:

Name	Nationality	Designation	Before our IPO				After the Flotation Exercise*			
			Direct		Indirect		Direct		Indirect	
			No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Koh Cheng Keong	Malaysian	Managing Director / Group Chief Executive Officer	107,684,688	83.74	20,110,010 ^(d)	15.64	-	-	127,794,698 ^(e)	69.08
Datin Chew Lean Hong	Malaysian	Executive Director / Group Chief Operating Officer	20,110,010	15.64	107,684,688 ^(d)	83.74	-	-	127,794,698 ^(e)	69.08
Ng Kuan Hua	Malaysian	Executive Director / General Manager	1	#	-	-	-	280,001	0.15	-
Ooi Hooi Miin	Malaysian	Chief Financial Officer	-	-	-	-	-	-	-	-
Low Siew Sand	Malaysian	Head of Finance and Accounts	-	-	-	-	-	-	-	-
Yap Cheang Yam	Malaysian	Head of Internal Audit	-	-	-	-	-	-	-	-
David Ngu Toh Yung	Malaysian	Head of Human Resources	-	-	-	-	-	-	-	-

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Nationality	Designation	Before our IPO		After the Flotation Exercise*			
			Direct		Indirect			
			No. of Shares	%	No. of Shares	%	No. of Shares	%
Chang Boon Hong	Malaysian	Head of Water Amusement Park & Resort Operations	-	-	-	-	-	-
Lim Kim Mooi	Malaysian	Head of Food & Beverage and Retail Operations	1	#	-	1	#	-

Notes:

* This has not taken into consideration the potential subscription of their allocated Public Issue Shares under the Pink Form Allocation, save for Ng Kuan Hua.

Negligible.

(a) Deemed interested by virtue of the direct interest of his spouse, Datin Chew Lean Hong in OWG.

(b) Deemed interested by virtue of the direct interest of her spouse, Dato' Koh Cheng Keong in OWG.

(c) Deemed interested by virtue of his / her direct interest in Rich Dad, which in turn has a direct shareholdings of 69.08% in OWG, pursuant to Section 6A of the Act.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.4.2 Profiles of Our Key Management

The profiles of Dato' Koh Cheng Keong, Datin Chew Lean Hong and Ng Kuan Hua have been detailed out in Section 8.2.2 of this Prospectus while the profile of the other key management of our Group are as follows:

(i) Ooi Hooi Miin

Ooi Hooi Miin, aged 45, is the Group's Chief Financial Officer. She graduated with a Bachelor of Commerce from the University of Melbourne, Australia, in 1992 and obtained a Master of Business Administration from Heriot-Watt University, United Kingdom in 2004. She is a member of the Malaysia Institute of Accountants and Certified Practising Accountant, Australia. She is also a Certified Financial Planner with the Financial Planning Association of Malaysia.

She began her career with FMS Audio Sdn Bhd in 1992 as an Accounts Associate and left in 1994 to join GUH Holdings Berhad, a public company listed on the Main Market as a Group Finance Manager. In 2000, she was promoted to Group Financial Controller and left in 2005. Subsequently, she has joined LKT Industrial Berhad (now known as SAM Engineering & Equipment (M) Berhad) from 2005 to 2007 and Saag Consolidated (M) Bhd from 2007 to 2010 as their Group Financial Controller. In 2010, she then joined Lowe and Partners Sdn. Bhd., a subsidiary of Interpublic Group of Companies, Inc listed on the New York Stock Exchange, as a Finance Director. After she left Lowe and Partners Sdn. Bhd. in January 2014, she joined Graphene Nanochem Plc, a public company listed on AIM of the London Stock Exchange, as a Chief Financial Officer and left in May 2014. Thereafter, she has joined our Group as the Chief Financial Officer in June 2014.

(ii) Low Siew Sand

Low Siew Sand, aged 43, is our Group's Head of Finance and Accounts. She graduated with a professional degree in financial accounting (with honours) from Jasa Accountancy College, Malaysia in 1997, and is a member of the Association International Accountants of United Kingdom since 1997.

She started her career with Stallion (M) Sdn Bhd in 1991 as an accounts assistant and subsequently joined Carrier International Sdn Bhd in 1992 as their finance executive. She was an Assistant Accountant in Hexagon Holdings Bhd from February 1997 to October 1997, and subsequently joined Acura Manufacturing Sdn Bhd as an Accounting Manager from October 1997 to 1999. After she left Acura Manufacturing Sdn Bhd, she joined Quantaflex SEA Sdn Bhd as an Accounting Manager from 1999 to 2002. In 2002, she then joined Grand Surf Sdn Bhd as a Finance Manager. During her tenure, she handled the accounts and finance of the chain business namely Red Box Karaoke. In 2012, she left and joined our Group as the Head of Finance and Accounts who is responsible for all accounts and finance matters of our Group.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

(iii) **Yap Cheang Yam**

Yap Cheang Yam, aged 34, is our Group's Head of Internal Audit. He graduated with a Bachelor of Accounting (Honours) degree from Universiti Malaya in 2005 and was admitted as a member of the Malaysian Institute of Certified Public Accountant (MICPA) in 2009.

He began his career with Ernst & Young as an audit associate in 2005 and subsequently in 2009 he was promoted to an Assistant Manager. He then joined Syarikat Bekalan Air Selangor Sdn Bhd in 2009 as a Finance Manager. He joined our Group in 2011 as the Head of Internal Audit and is responsible for the internal audit planning and programme of our Group.

(iv) **David Ngu Toh Yung**

David Ngu Toh Yung, aged 37, is our Group's Head of Human Resources. He graduated with a Bachelor of Finance (Hons) from the University of Hertfordshire, United Kingdom in 1999 and a Master of Technology Management from the Griffith University, Australia in 2003.

He began his career with Sin Lien He Pte Ltd, Singapore as a Supervisor in 2000. In 2007, he joined GCH Retail (M) Sdn Bhd as a Human Resources Manager. He then joined our Group as the Head of Human Resources Department and is responsible for our Group's talent management and organisational development strategies.

(v) **Chang Boon Hong**

Chang Boon Hong, aged 36, is our Group's Head of Water Amusement Park & Resort Operations. He graduated with a Bachelor of Forestry Science from Universiti Putra Malaysia in 2001.

He started his career with Platinum Attractions as an Operation Executive in Wet World Batu Pahat Village Resort in 2001. In 2002, he joined Safari Wonderland Sdn Bhd as an Operation Executive. He was subsequently promoted to Operation Manager in September 2007. He then joined Sentoria Themeparks and Resorts Sdn. Bhd. in June 2008 and re-joined Safari Wonderland Sdn Bhd in July 2009. Thereafter in July 2012, he joined i-Berhad as a Senior Manager in i-City Theme Park. In May 2013, he joined our Group as a Senior Manager and subsequently was promoted to Head of Theme Park Operations in August 2014. He is responsible for the performance, business development and operations of the water theme parks and resort.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

(vi) **Lim Kim Mooi**

Lim Kim Mooi, aged 50, is our Group's Head of F&B and Retail Operations. She has more than thirty (30) years of experience in the F&B industry.

After completing her primary education in 1976, she began her career as an assistant to the pastry chef with Italy Cake House in Subang Jaya in 1980. She then joined Mercu Jutaan in 1998 as a F&B Supervisor. In 2003, she was promoted to Product Manager, where she was responsible for the cost control, product quality and development, cleanliness, staff discipline and training of the food service outlets and central food preparation area at Genting Highlands. In 2010, she undertook the role of an internal coordinator in respect of the ISO certifications. Thereafter, she was re-designated as an Operations Manager in 2011. In April 2013, she was promoted as our Group's Head of F&B and Retail Operations. She is responsible for the overall operation and performance of the food service outlets in our Group.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.5 Involvement of Key Management in Other Business / Corporation

None of our key management personnel has any interest, direct or indirect, in any other businesses and corporations carrying on a trade similar to that of our Group and / or any business or corporations which are also our customers or suppliers of our Group, save as disclosed in Section 8.2.3 in relation to Dato' Koh Cheng Keong, Datin Chew Lean Hong and Ng Kuan Hua and for the following:

Name of Director	Directorships	Principal activities	Involvement in business activities other than as a Director	Date resignation / shareholdings disposed off
Ooi Hooi Miin	<u>Present directorships:</u> BCS Group Sendirian Berhad	Principally involved in software sales and consultancy.	Shareholder	-
	<u>Past directorships:</u> Interjadi Sdn. Bhd	Principally involved in provision of construction work as contractors and sub-contractors.	-	-
	Lancia Management & Services Sdn Bhd	Dissolved in 28.07.2010.	-	31.03.2010
	Lowe and Partners Sdn Bhd	Principally involved in business of advertising agency.	-	28.07.2010
	Zantec Logistics Sendirian Berhad	Wound up.	-	17.10.2013
				10.04.2001

In addition, please refer to Section 10.1 and 10.2 of this Prospectus for further information on related party transactions with our Directors and interests in other similar business and / or of our customers and suppliers.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.6 Declarations from Our Promoters, Directors and Key Management

None of our Promoters, Directors and key management is or has been involved in any of the following events (whether in or outside Malaysia):

- (i) a petition under any bankruptcy or insolvency laws that was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) charged and / or convicted in a criminal proceeding or is named subject of a pending criminal proceeding;
- (iv) any judgment was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

8.7 Relationships

As at the LPD, there are no family relationships (as defined in Section 122A of the Act) or associations between our substantial shareholders, Promoters, Directors and key management save for the following:

- (a) Dato' Koh Cheng Keong is the spouse of Datin Chew Lean Hong, our Executive Director / Group Chief Operating Officer; and
- (b) Datin Chew Lean Hong is the spouse of Dato' Koh Cheng Keong, Managing Director / Group Chief Executive Officer.

8.8 Service Agreements

Save as disclosed below, as at the LPD, there are no existing or proposed service agreements between our Group and Directors or key management, excluding contracts expiring or determinable by our Company without payments or compensation (other than statutory compensation), which are not terminable by notice without payment or compensation (other than statutory notice).

The existing service agreements between our Company and the Directors and the salient terms therein are as follows:

- (i) a director's service agreement between our Company and Dato' Dr. Tengku Rethwan dated 21 June 2013, where Dato' Dr. Tengku Rethwan was appointed as the Independent Non-Executive Chairman of our Company effective from 14 June 2013 for an initial period of three (3) years. Upon expiry of this initial term, Dato' Dr. Tengku Rethwan shall continue to serve as the Independent Non-Executive Chairman of our Company until terminated in accordance with the service agreement;

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

- (ii) a director's service agreement between our Company and Ng Kuan Hua dated 21 June 2013, where Ng Kuan Hua was appointed as the Executive Director of our Company effective from 14 June 2013 for an initial period of three (3) years. Upon expiry of this initial term, Ng Kuan Hua shall continue to serve as the Executive Director of our Company until terminated in accordance with the Agreement;
- (iii) a director's service agreement between our Company and Wong Huey Miin dated 21 June 2013, where Wong Huey Miin was appointed as the Independent Non-Executive Director of our Company effective from 14 June 2013 for an initial period of three (3) years. Upon expiry of this initial term, Wong Huey Miin shall continue to serve as the Independent Non-Executive Director of our Company until terminated in accordance with the service agreement; and
- (iv) a director's service agreement between our Company and Ooi Guan Hoe dated 21 June 2013, where Ooi Guan Hoe was appointed as the Independent Non-Executive Director of our Company effective from 14 June 2013 for an initial period of three (3) years. Upon expiry of this initial term, Ooi Guan Hoe shall continue to serve as the Independent Non-Executive Director of our Company until terminated in accordance with the service agreement.

8.9 Information on Our Employees

The total number of our employees with the respective breakdown is classified into the following categories:

	Number of permanent employees			
	FYE 30 June			As at the LPD
	2012	2013	2014	
<u>Corporate office operations</u>				
Management and professionals	28	27	24	29
Sales and marketing	2	4	3	5
Administrative	2	5	5	4
Research and development	2	4	4	3
Total	34	40	36	41
<u>Food service outlets, centralised kitchen facility, water amusement parks, family attractions and other services outlets</u>				
Managers and supervisors	33	35	30	34
Staff	285	297	271	285
Total	318	332	301	319
<u>Nationality</u>				
Local	263	293	247	265
Foreign	89	79	90	95
Total	352	372	337	360

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

As at the LPD, our Group has a total staff force of three hundred sixty (360) permanent employees, of which ninety five (95) are foreign employees mainly from Bangladesh, India, Nepal, China and Myanmar under contractual employment for tenures of one (1) to three (3) years. All of our foreign workers hold valid working permits and are not in breach of any immigration laws in Malaysia.

For FYE 30 June 2013, our Group's staff force has increased to three hundred seventy two (372) from three hundred fifty two (352) in the FYE 30 June 2012 due to the increase of food service outlets during the year. However, for FYE 30 June 2014, our staff force has decreased to three hundred thirty seven (337) employees due to the Closure of Outdoor Theme Park. As at the LPD, our staff force has increased to three hundred sixty (360) employees due to the commencement of the operation of new retail outlets such as *Jungle Gym*, *Starship Galactica*, and two (2) *Roller Sports World* outlets.

None of our employees belong to any trade unions and they have good working relationships with the Management. There has not been any past industrial dispute between the Management and the employees.

The employees of our Group receive on-the-job training in areas of management skills and technical know-how. The table below lists the training and development programmes completed by some of our employees for the past three (3) years. The programmes encompass external and internal training and development programmes.

Date of training programme	Programme	Organiser	Attendees
20.05.2011	Forklift in Operation and Maintenance Safety	Goldbell Equipment Sdn Bhd	Staffs ^(a)
02.08.2011	Food Safety Handling	Sikap Cemerlang Sdn Bhd	Key management and staffs
23.09.2011	Clean As You go and Personal Hygiene	In-house training programme	Key management and staffs
05.10.2011	Food Safety Handling	Global Business Excellence (M) Sdn Bhd	Key management and staffs
18.11.2011	Pest Awareness	Rentokil Initial (M) Sdn Bhd	Key management and staffs
02.12.2011	ISO 22000 Food Safety Management Systems Awareness	Global Business Excellence (M) Sdn Bhd	Key management and staffs
04.01.2012 to 06.01.2012	First Aid at Work Place	St. John Ambulance of Malaysia	Key management and staffs
09.01.2012	Purchasing System & Warehousing	In-house training programme	Key management and staffs
03.02.2012	Internal Audit of ISO 22000 Food Safety Management Systems	Nexus TAC Sdn Bhd	Key management and staffs
16.02.2012	Food Safety Handling	Global Business Excellence (M) Sdn Bhd	Key management and staffs
20.02.2012	Good Manufacturing Practices	Nexus TAC Sdn Bhd	Key management and staffs
28.02.2012	First Aid Refreshment and Safety Handling	In-house training programme	Staffs
28.02.2012	Induction Program, Cleaning & Sanitation, and Critical Control Point	In-house training programme	Staffs
01.03.2012	Foods Safety Handling	Global Business Excellence (M) Sdn Bhd	Key management and staffs
30.03.2012	First Aid Refreshment and Safety Handling	In-house training programme	Staffs

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Date of training programme	Programme	Organiser	Attendees
02.04.2012	ISO 22000 Food Safety Management Systems Awareness	Nexus TAC Sdn Bhd	Key management and staffs
19.05.2012	Food Handler and Good Manufacturing Practices	In-house training programme	Staffs
26.05.2012	Food Handler and Good Manufacturing Practices	In-house training programme	Staffs
23.06.2012	Food Safety Objective and Policy	In-house training programme	Staffs
29.06.2012	Food Safety Handling	Global Business Excellence (M) Sdn Bhd	Key management and staffs
10.08.2012 to 11.08.2012	Food Allergy Awareness	In-house training programme	Staffs
01.09.2012	Food Allergy Awareness	In-house training programme	Staffs
05.09.2012	Pest Awareness	Rentokil Initial (M) Sdn Bhd	Key management and staffs
20.09.2012	Food Handler and Good Manufacturing Practices	In-house training programme	Staffs
25.10.2012	Food Allergy Awareness	In-house training programme	Staffs
19.10.2012	ISO 22000 Food Safety Management Systems Awareness	Nexus TAC Sdn Bhd	Key management and staffs
22.11.2012	Internal Audit ISO 22000 Food Safety Management Systems	Nexus TAC Sdn Bhd	Key management and staffs
05.12.2012 to 06.12.2012	Food Safety Handling	Global Business Excellence (M) Sdn Bhd	Key management and staffs
06.12.2012	Food Allergy Awareness	In-house training programme	Staffs
08.01.2013	First Aid and Cardiopulmonary Resuscitation (CPR)	Smart Training & Consultancy Sdn Bhd	Key management and staffs
02.02.2013	Cleaning, Sanitation, Personal Hygiene, Good Food Handling & Critical Control Point	In-house training programme	Staffs
16.02.2013	Cleaning, Sanitation, Personal Hygiene, Good Food Handling & Critical Control Point	In-house training programme	Staffs
18.03.2013	Chemical Usage	Diversey (Malaysia) Sdn Bhd	Key management and staffs
09.04.2013	International Association of Amusement Parks and Attractions - Safety Training	International Association of Amusement Parks and Attractions (IAAPA)	Directors, key management and staffs
13.04.2013	Good Manufacturing Practices	In-house training programme	Staffs
19.04.2013	Food Safety Handling	Global Business Excellence (M) Sdn Bhd	Key management and staffs
03.07.2013	ISO 22000 Food Safety Management System Awareness	Nexus TAC Sdn Bhd	Key management and staffs
08.07.2013	Good Manufacturing Practices	Nexus TAC Sdn Bhd	Key management and staffs

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Date of training programme	Programme	Organiser	Attendees
01.08.2013 to 02.08.2013	Food Safety Handling	Global Business Excellence (M) Sdn Bhd	Staffs
09.10.2013	Food Safety Policy and Objectives – Chemical usage / handling and Critical Control Point Monitoring	In-house training programme	Staffs
22.10.2013	Food Safety Policy and Objectives – Chemical usage / handling and Critical Control Point Monitoring	In-house training programme	Staffs
14.10.2013	Critical Control Point Training	In-house training programme	Staffs
18.10.2013	Food Safety Handling	Global Business Excellence (M) Sdn Bhd	Key management and staffs
21.10.2013	Food Safety Handling	Global Business Excellence (M) Sdn Bhd	Key management and staffs
28.10.2013	Food Allergy Awareness	In-house training programme	Staffs
25.11.2013	Food Allergy Awareness	In-house training programme	Staffs
27.12.2013	Food Safety Handling	Global Business Excellence (M) Sdn Bhd	Key management and staffs
19.02.2014	Food Safety Policy and Objectives – Chemical usage / handling	In-house training programme	Staffs
24.02.2014	Cleaning, Sanitation, Personal Hygiene and Good Food Handling	In-house training programme	Staffs
03.03.2014	Food Poisoning	In-house training programme	Staffs
13.03.2014	Critical Control Point Monitoring and Knowledge and Emergency Exit Route	In-house training programme	Staffs
16.04.2014	Food Safety Handling	Global Business Excellence (M) Sdn Bhd	Key management and staffs
16.05.2014	ISO Internal Audit Training	Nexus TAC Sdn Bhd	Key management and staffs
03.06.2014	Good Manufacturing Practices	Nexus TAC Sdn Bhd	Key management and staffs
04.06.2014	ISO 22000 Food Safety Management System Awareness	Nexus TAC Sdn Bhd	Key management and staffs
12.06.2014	Corporate Compliance Management Training	In-house training programme	Directors, key management and staffs
13.06.2014	Corporate Compliance Management Training	In-house training programme	Directors, key management and staffs

Note:

- (a) Include staffs from sales and marketing, administrative and research and development, managers, supervisors and staffs from food service outlets, centralised kitchen facility, water amusement parks, family attractions and other services outlets.

9. APPROVALS AND CONDITIONS

9.1 Conditions on Approvals for Our Flotation Exercise

The Listing of our Company on the Main Market was approved by the relevant authorities as follows:

Authority	Date of approval
SC	6 March 2014
MITI	1 November 2013
Bursa Securities	18 November 2014

9.1.1 Approval from the SC

The SC, had via its letter dated 6 March 2014, approved our Flotation Exercise under Section 214(1) of the CMSA and equity requirement for public companies, subject to compliance with certain conditions (“**Conditions**”).

The SC, had via its letter dated 11 September 2014, approved our application for an extension of time of up to 5 March 2015 under Section 214(2) of the CMSA, for the Company to implement the Flotation Exercise, subject to compliance with the Conditions (“**EOT Approval**”).

The Conditions imposed by the SC via its letter dated 6 March 2014 and the status of compliance are as follows:

Conditions	Status of compliance
OWG to allocate at least 12.50% of its enlarged issued and paid-up share capital to Bumiputera investors at the point of listing. This includes the shares offered under the balloted public offer portion, of which 50% are to be offered to Bumiputera investors. In the event that MITI is unable to allocate the shares to Bumiputera investors, the unsubscribed shares shall be offered to the Bumiputera public investors via balloting.	To be complied
OWG to appoint a full-time Chief Financial Officer who is fit and proper, fully qualified and competent to effectively discharge his/her role as the officer primarily responsible for the financial management of a listed company.	Complied
OWG to obtain:	
(i) approvals on the renovation and the change in the internal layout of the building from the relevant authority within six (6) months from the date of the SC’s approval letter in respect of the Warehouse Complex*; and	Complied
(ii) the Certificate of Fitness for Occupation / Certificate of Completion and Compliance from the relevant authority within six (6) months from the date of the SC’s approval letter in respect of the Wet World Water Park Shah Alam*.	Complied
PIVB / OWG to fully comply with the requirements of the SC’s Equity Guidelines and Prospeetus Guidelines pertaining to the implementation of the Listing.	Noted

Note:

* Pursuant to the EOT Approval, the Company has up to 5 March 2015 to implement the Flotation Exercise.

9. APPROVALS AND CONDITIONS (Cont'd)

The SC, had also via its letter dated 6 March 2014, noted that the equity structure of OWG would change arising from the implementation of the Listing, as follows:

Category of shareholder	Before the Listing		After the Listing	
	No. of Shares	%	No. of Shares	%
Bumiputera:				
- Eligible Director of OWG	-	-	240,000	0.13
- To be nominated and approved by MITI	-	-	18,500,000	10.00
- Via public balloting	-	-	4,625,000	2.50
Total Bumiputera	-	-	23,365,000	12.63
Non-Bumiputera	6	100.00	161,635,000	87.37
Foreign	-	-	-	-
TOTAL	6	100.00	185,000,000	100.00

9.1.3 Approval from MITI

MITI had, via its letter dated 1 November 2013, taken note of and has no objections to our Listing.

9.1.4 Approval from Bursa Securities

Bursa Securities had, via its letter dated 18 November 2014, approved the admission of our Company to the Official List and the listing of and quotation for the entire enlarged issued and paid-up share capital of our Company of RM92,500,000 comprising 185,000,000 Shares on the Main Market. The conditions imposed by Bursa Securities and the status of the compliance with these conditions are as follows:

Conditions	Status of compliance
Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Practice Note 21 of the Listing Requirements. In this respect, OWG is advised to include the Stock Code, Stock Short Name and ISIN Code upon making the announcement on timetable for IPO.	To be complied
Furnish Bursa Securities with the following prior to the listing date (except as stated otherwise):	
(i) a copy of the schedule of distribution showing compliance to the share spread requirement based on the entire issued and paid up capital of OWG on the first day of listing	To be complied
(ii) a cheque drawn to the order of Bursa Malaysia Berhad for the annual listing fees based on the final issue price (in excess of the annual listing fees as provided in the listing application), if applicable, together with a copy of the details of the computation of the amount of annual listing fee payable.	Not applicable

9. APPROVALS AND CONDITIONS (Cont'd)

9.2 Moratorium on Our Shares

In accordance with the SC Equity Guidelines, our Promoters will not be allowed to sell, transfer or assign their entire shareholdings in our Company within six (6) months from the date of listing of our Company on the Main Market (“**Moratorium Period**”).

Rich Dad has provided an undertaking letter to the SC that they will not sell, transfer or assign their respective shareholdings under moratorium during the Moratorium Period, including all Shares, if any, issued to our Promoters during the Moratorium Period, in accordance with the SC Equity Guidelines. The details of Shares to be held under moratorium are as follows:

Shareholder	After the Share Transfer			
	No. of Shares held	% of enlarged share capital*	No. of Shares to be held under moratorium	% of enlarged share capital*
Rich Dad	127,794,698	69.08	127,794,698	69.08

Note:

* Based on the enlarged issued and paid-up share capital of 185,000,000 Shares.

The shareholders of Rich Dad, namely Dato’ Koh Cheng Keong, Datin Chew Lean Hong, Khoong Wai Yee and Tan Thian Chai have also provided undertaking letters to the SC that they will not sell, transfer or assign their respective shareholdings in Rich Dad during the Moratorium Period.

The moratorium is specifically endorsed on the Shares certificates representing the shareholdings of Rich Dad to ensure that our registrars do not register any transfer not in compliance with the moratorium restrictions.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

10. RELATED PARTY TRANSACTIONS / CONFLICT OF INTEREST

10.1 Existing and Proposed Related Party Transactions

Save for the Acquisitions and as disclosed below, our Group has not entered into any non-recurrent transactions with our related parties (as defined above in Section 10.1) for the past three (3) financial years up to the FYE 30 June 2014 and up to the LPD:

Company / party	Related party	Nature of relationship	Nature of transaction	Transaction value for			
				←-----FYE 30 June----->			As at the LPD RM'000
				2012 RM'000	2013 RM'000	2014 RM'000	
Awana Goldhill Sdn Bhd ("Awana Goldhill")	Dato' Koh Cheng Keong and Datin Chew Lean Hong	Dato' Koh Cheng Keong, being our substantial shareholder and Director is also the substantial shareholder and director of Awana Goldhill. Datin Chew Lean Hong, being our substantial shareholder and Director, is also the director of Awana Goldhill. However, she has resigned from her designation as a director of Awana Goldhill with effect from 26 February 2013.	Sales of F&B by our Group - KCK	67	-	-	-
Dato' Koh Cheng Keong	Platinum Attractions	Dato' Koh Cheng Keong, being our substantial shareholder and Director, is also the substantial shareholder and director of Platinum Attractions.	Other income arising from a waiver of debts provided to our Group - Platinum Attractions	429	-	-	-
Datin Chew Lean Hong	Platinum Attractions	Datin Chew Lean Hong, being our substantial shareholder and Director, is also the substantial shareholder and director of Platinum Attractions.	Other income arising from a waiver of debts provided to our Group - Platinum Attractions	48	-	-	-

10. RELATED PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

Company / party	Related party	Nature of relationship	Nature of transaction	Transaction value for			As at the LPD RM'000
				<-----FYE 30 June----->			
				2012 RM'000	2013 RM'000	2014 RM'000	
World Equipment Sdn Bhd	Dato' Koh Cheng Keong and Datin Chew Lean Hong, being our substantial shareholders and Directors, are also the substantial shareholders and directors of World Equipment Sdn Bhd.	Dato' Koh Cheng Keong and Datin Chew Lean Hong, being our substantial shareholders and Directors, are also the substantial shareholders and directors of World Equipment Sdn Bhd.	Dividend paid by our Group - Platinum Attractions	-	6,353	-	-
			Other income arising from a waiver of debts provided to our Group - KCK	952	-	-	-
			Purchase of equipments from third party suppliers on behalf of our Group - Mercu Jutaan	28	-	-	-
			Sales of F&B and other trade related products by our Group - KCK	217	181	109	-
			Share of common office expenses by our Group - Believe It Or Not	31	-	-	-
			Purchase of business operating units pursuant to the SBA - The Wet World	-	-	-	300
			Maintenance expenses paid to our Group - Platinum Paradise	-	-	250	-

10. RELATED PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

Company / party	Related party	Nature of relationship	Nature of transaction	Transaction value for			As at the LPD RM'000
				<-----FYE 30 June----->			
				2012 RM'000	2013 RM'000	2014 RM'000	
Worldbuilt Sdn Bhd	Dato' Koh Cheng Keong and Datin Chew Lean Hong	Dato' Koh Cheng Keong and Datin Chew Lean Hong, being our substantial shareholders and Directors, are also the substantial shareholders and directors of Worldbuilt Sdn Bhd.	Sales of F&B by our Group - KCK #	-	-	-	
Theme Park Concepts & Services Sdn Bhd	Dato' Koh Cheng Keong and Datin Chew Lean Hong	Dato' Koh Cheng Keong and Datin Chew Lean Hong, being our substantial shareholders and Directors, are also the substantial shareholders and directors of Theme Park Concepts & Services Sdn Bhd.	Provision of management services in respect of the renovation and upgrading works - Mercu Jutaaan 3,035	350	-	-	
			Sales of F&B by our Group - KCK	-	7	-	

Note:

Less than RM500.

10. RELATED PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

Save as disclosed below, our Group does not have any other existing and / or proposed recurrent related party transactions that are of revenue or trading in nature entered into between our Group and our related parties ("Recurrent Transactions") for the past three (3) financial years up to the FYE 30 June 2014 and up to the LPD:

Company / party	Related party	Nature of relationship	Nature of transaction	Transaction value for			
				←-----FYE 30 June----->			As at the LPD
				2012 RM'000	2013 RM'000	2014 RM'000	RM'000
Dato' Koh Cheng Keong	Platinum Paradise	Dato' Koh Cheng Keong, being our substantial shareholder and Director, is also the substantial shareholder and director of Platinum Paradise	Rental paid / payable by our Group - Platinum Paradise	-	332	570	143
Datin Chew Lean Hong	Platinum Paradise	Datin Chew Lean Hong, being our substantial shareholder and Director, is also the substantial shareholder and director of Platinum Paradise.	Rental paid / payable by our Group - Platinum Paradise	-	298	510	128
World Equipment Sdn Bhd	Dato' Koh Cheng Keong and Datin Chew Lean Hong	Dato' Koh Cheng Keong and Datin Chew Lean Hong, being our substantial shareholders and Directors, are also the substantial shareholders and directors of World Equipment Sdn Bhd.	Rental received / receivable by our Group - Platinum Paradise	145	145	145	15

10. RELATED PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

Our Directors are of the opinion that the above non-recurrent transactions would not give rise to any conflict of interest situation and were transacted on an arm's length basis and are based on terms which are not unfavourable to our Group.

Upon Listing, our Directors through the Audit Committee, will ensure that any related party transactions and Recurrent Transactions are carried out on an arm's length basis and are not prejudicial to our Group nor on terms more favourable to the related parties than those normally agreed with other customers or suppliers and are also not detrimental to our minority shareholders.

Our Directors and substantial shareholders are also not aware of any transactions that may give rise to conflict of interest situations between our Group and any of our Directors, substantial shareholders, key management and / or persons connected to them.

10.2 Interest in Similar Businesses

The interests, shareholdings and directorships in other businesses of our Directors and substantial shareholders are disclosed in Section 8.2.3 of this Prospectus. To the best knowledge and belief of our Directors and substantial shareholders, none of our Directors or substantial shareholders or key management are interested, directly or indirectly in any business carrying on a similar trade as our Company and subsidiaries or which are the customers or suppliers of our Group as at the LPD.

10.3 Transactions that are Unusual in Their Nature or Condition

There are no transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which we or our Subsidiaries was a party in respect of the past three (3) financial years up to the FYE 30 June 2014 and the subsequent financial period thereof, immediately preceding the date of this Prospectus.

10.4 Loans Made to Related Parties

There are no outstanding loans (including guarantees of any kind) made by our Group to or for the benefit of related parties in respect of the past three (3) financial years up to the FYE 30 June 2014 and the subsequent financial period thereof, immediately preceding the date of this Prospectus.

10. RELATED PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

10.5 Declaration by Advisers on Conflicts of Interest**10.5.1 PIVB**

PIVB (Corporate Banking & Securities Financing division), has in its ordinary course of business granted Awana Goldhill Sdn Bhd (“**Awana Goldhill**”) (a company where one of the Promoters is a director and substantial shareholder) credit facilities amounting to RM47.00 million. As at the LPD, the outstanding balance of the total credit facilities extended by PIVB to Awana Goldhill is approximately RM46.05 million, which represents 13.18% of the net assets of PIVB as at 31 December 2013.

In addition, PIVB is a wholly-owned subsidiary of Public Bank Berhad (“**PBB**”) and PBB, has in its ordinary course of business, granted credit facilities to Platinum Paradise, KCK and Awana Goldhill of RM67.04 million. As at the LPD, the outstanding balance of the total credit facilities extended by PBB to Platinum Paradise, KCK and Awana Goldhill is approximately RM65.47 million. Notwithstanding that, PIVB is of the view that the aforementioned extension of credit facilities does not result in a conflict of interest situation as the outstanding balance of the total credit facilities granted to Platinum Paradise, KCK and Awana Goldhill by PBB, which represents 0.32% of the net assets of PBB as at 31 December 2013 is considered immaterial.

Notwithstanding the above, PIVB hereby confirms that there is no material conflict of interest in its capacity as the Principal Adviser, Sole Underwriter and Sole Placement Agent in respect of our IPO and that the abovementioned relationship with our Group does not give rise to a material conflict of interest situation due to the following reasons:

- (i) PIVB’s role as the Principal Adviser for our IPO has been carried out professionally and objectively in accordance with the relevant terms of the due diligence planning memorandum. The due diligence processes and the verification exercises (which were participated by our Directors and senior management, our Reporting Accountants, our solicitors, PIVB and other relevant advisers) have been duly undertaken and performed in relation to the preparation of relevant documents relating to our IPO;
- (ii) none of the proceeds raised from our IPO are allocated for the repayment of bank borrowings by our Group to PIVB and / or PBB; and
- (iii) PIVB does not receive or derive any financial interest or benefit from our IPO other than the normal advisory and underwriting / placement fees charged.

10. RELATED PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

10.5.2 Messrs. Crowe Horwath

Messrs. Crowe Horwath has given their confirmation that there is no existing or potential conflict of interest in their capacity as Auditors and Reporting Accountants in respect of our IPO.

10.5.3 Messrs. Jeff Leong, Poon & Wong

Messrs. Jeff Leong, Poon & Wong has given their confirmation that there is no existing or potential conflict of interest in their capacity as Solicitors in respect of our IPO.

10.5.4 Vital Factor Consulting Sdn Bhd

Vital Factor Consulting Sdn Bhd has given their confirmation that there is no existing or potential conflict of interest in their capacity as Independent Business and Market Research Consultants in respect of our IPO.

10.5.5 Henry Butcher Malaysia (SEL) Sdn Bhd

Henry Butcher Malaysia (SEL) Sdn Bhd has given their confirmation that there is no existing or potential conflict of interest in their capacity as Independent Valuer in respect of our IPO.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION

Our pro forma financial information have been compiled based on the basis and accounting policies consistent with those currently adopted by our Group which are set out in the notes and assumptions included in the Reporting Accountants' Letter on the Compilation of Pro Forma Financial Information as set out in Section 11.4 of this Prospectus. The financial statements used in the preparation of our pro forma financial information were prepared in accordance with Financial Reporting Standards in Malaysia. Any adjustments which were dealt with when preparing our pro forma financial information have been highlighted and disclosed in Section 11.4 of this Prospectus. There has been no audit qualification on our audited financial statements for the past three (3) financial years up to the FYE 30 June 2014.

11.1 Pro Forma Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following pro forma consolidated statements of profit or loss and other comprehensive income of our Group for the past three (3) financial years up to the FYE 30 June 2014 have been derived from the Accountants' Report in Section 13 of this Prospectus. The table below sets out our pro forma consolidated statements of profit or loss and other comprehensive income which have been prepared for illustrative purposes only based on the audited financial statements of the companies in our Group and on the assumption that the current structure of our Group has been in existence throughout the financial years under review.

The pro forma consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the Reporting Accountants' Letter on the Compilation of Pro Forma Financial Information as set out in Section 11.4 of this Prospectus.

	< -----FYE 30 June ----- >		
	2012 RM'000	2013 RM'000	2014 RM'000
Revenue	79,075	88,873	83,084
Cost of sales	(43,979)	(48,072)	(49,550)
GP	35,096	40,801	33,534
Other income	1,947	4,182	1,102
	37,043	44,983	34,636
Selling and distribution expenses	(752)	(594)	(455)
Administrative expenses	(12,562)	(15,207)	(11,714)
Other operating expenses	(1,763)	(1,166)	(1,155)
Finance costs	(1,086)	(1,060)	(1,251)
PBT	20,880	26,956	20,061
Income tax expense	(5,106)	(6,843)	(5,515)
PAT	15,774	20,113	14,546
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
- Revaluation of property, plant and equipment	9,914	-	-
- Remeasurement of deferred tax on revalued property arising from change in Real Property Gain Tax rates	-	-	(376)
Total comprehensive income for the financial year	25,688	20,113	14,170

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

	< -----FYE 30 June ----- >		
	2012 RM'000	2013 RM'000	2014 RM'000
PAT attributable to:			
Owners of the Company	15,706	20,091	14,493
NCI	68	22	53
	15,774	20,113	14,546
Total comprehensive income attributable to:			
Owners of the Company	25,620	20,091	14,117
NCI	68	22	53
	25,688	20,113	14,170
PAT	15,774	20,113	14,546
Income tax expense	5,106	6,843	5,515
PBT	20,880	26,956	20,061
Amortisation	102	1	-
Depreciation	5,235	5,018	4,832
Interest expense	1,086	1,060	1,251
Interest income	(224)	(697)	(577)
EBITDA	27,079	32,338	25,567
GP margin (%)	44.38	45.91	40.36
PBT margin (%)	26.41	30.33	24.15
PAT margin (%)	19.95	22.63	17.51
Effective tax rate (%)	24.45	25.39	27.49
Interest coverage (times)	20.23	26.43	17.04
Assumed number of ordinary shares in issue of RM0.50 each* ('000)	128,591	128,591	128,591
Gross EPS** (RM)	0.16	0.21	0.16
Net EPS** (RM)	0.12	0.16	0.11
Enlarged number of ordinary shares of RM0.50 each in issue^ ('000)	185,000	185,000	185,000
Gross EPS^^ (RM)	0.11	0.15	0.11
Net EPS^^ (RM)	0.09	0.11	0.08

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

Notes:

- * Assumed number of ordinary shares in issue arrived at based on the issued and fully paid-up capital after the Acquisitions but before the Public Issue.
- ** The gross EPS and net EPS were computed by dividing the PBT and PAT respectively by the assumed number of ordinary shares in issue during the relevant financial year / period.
- ^ Enlarged number of ordinary shares in issue after the Public Issue.
- ^^ The gross EPS and net EPS were computed by dividing the PBT and PAT respectively by the enlarged number of ordinary shares in issue during the relevant financial year / period.

11.2 Pro Forma Consolidated Statements of Financial Position

The following is the pro forma consolidated statements of financial position as at FYE 30 June 2014, which is presented for illustrative purposes only to show the effects on the pro forma consolidated statements of financial position of our Group had the Flotation Exercise been completed on that date and that the current structure of our Group has been in existence throughout the financial year under review.

	Audited as at 30 June 2014 RM'000	Pro forma (I) After Public Issue and utilisation of listing proceeds RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	77,286	120,286
Prepaid land lease payment	52	52
Deferred tax asset	159	159
	77,497	120,497
Current Assets		
Inventories	1,318	1,318
Trade receivables	183	183
Other receivables, deposits and prepayments	14,212	14,212
Tax refundable	1,222	1,222
Deposits with licensed banks	11,081	11,081
Cash and bank balances	16,829	20,432
	44,845	48,448
TOTAL ASSETS	122,342	168,945

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

	Audited as at 30 June 2014 RM'000	Pro forma (I) After Public Issue and utilisation of listing proceeds RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	64,296	92,500
Share premium	-	19,087
Merger deficit	(56,777)	(56,777)
Revaluation reserve	9,539	9,539
Capital reserve	1,200	1,200
Retained profits	64,852	64,164
Equity attributable to:		
- Owners of the Company	83,110	129,713
- NCI	1,347	1,347
TOTAL EQUITY	84,457	131,060
Non-Current Liabilities		
Provision	510	510
Long-term borrowings	25,083	25,083
Deferred tax liabilities	2,506	2,506
	28,099	28,099
Current Liabilities		
Trade payables	2,095	2,095
Other payables, deposits received and accruals	5,611	5,611
Short-term borrowings	1,690	1,690
Provision for taxation	390	390
	9,786	9,786
Total Liabilities	37,885	37,885
TOTAL EQUITY AND LIABILITIES	122,342	168,945
Number of ordinary shares assumed in issue at par value of RM0.50 each ('000)	128,591	185,000
NA (excluding NCI) (RM'000)	83,110	129,713
NA per share (RM)	0.65	0.70

Our pro forma consolidated statements of financial position should be read in conjunction with the Reporting Accountants' Letter on the Compilation of Pro Forma Financial Information as set out in Section 11.4 of this Prospectus.

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)
11.3 Pro Forma Consolidated Statement of Cash Flows

The following is our pro forma consolidated statement of cash flows for the FYE 30 June 2014 which has been prepared for illustrative purposes only on the assumption that the current structure of our Group has been in existence throughout the financial period under review. The pro forma consolidated statement of cash flows of our Group has been prepared before taking into account the proceeds from the Public Issue and the utilisation of proceeds from the Public Issue.

Our pro forma consolidated statement of cash flows should be read in conjunction with the Reporting Accountants' Letter on the Compilation of Pro Forma Financial Information as set out in Section 11.4 of this Prospectus.

	FYE 30 June 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
PBT	20,061
Adjustments for:	
Allowance for impairment losses on receivables	48
Bad debt written off	31
Depreciation of property, plant and equipment	4,832
Equipment written off	129
Loss on disposal of equipment	445
Interest expense	1,251
Interest income	(577)
Reversal of provision for restoration costs	(190)
Writeback of allowance for impairment losses on receivables	(1)
Operating profit before working capital changes	26,029
Decrease in inventories	214
Increase in trade and other receivables	(3,437)
Decrease in trade and other payables	(3,530)
CASH FROM OPERATIONS	19,276
Income tax paid	(6,303)
Income tax refunded	908
Interest paid	(1,251)
Interest received	47
NET CASH FROM OPERATING ACTIVITIES	12,677
CASH FLOWS FOR INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(19,202)
Proceeds from disposal of equipment	506
Interest received	530
NET CASH FOR INVESTING ACTIVITIES	(18,166)
BALANCE CARRIED FORWARD	(5,489)

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

	FYE 30 June 2014 RM'000
BALANCE BROUGHT FORWARD	(5,489)
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment to a related party	(2)
Repayment of hire purchase obligations	(18)
Drawdown of term loans	2,060
Repayment of term loans	(1,243)
NET CASH FROM FINANCING ACTIVITIES	797
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,692)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	32,602
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	27,910

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

11.4 Reporting Accountants' Letter on the Compilation of Pro Forma Financial Information



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

Kuala Lumpur Office
Level 16 Tower C, Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur, Malaysia
Main +6 03 2788 9999
Fax +6 03 2788 9998
www.crowehorwath.com.my
Info@crowehorwath.com.my

20 October 2014

REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

(Prepared for inclusion in this Prospectus)

The Board of Directors
Only World Group Holdings Berhad
No.10, Jalan Pelukis U1/46,
Section U1, Temasya Industrial Park, Glenmarie,
40150 Shah Alam,
Selangor Darul Ehsan.

Dear Sirs

**PRO FORMA FINANCIAL INFORMATION
INITIAL PUBLIC OFFERING AND PROPOSED LISTING OF 56,408,900 SHARES OF ONLY
WORLD GROUP HOLDINGS BERHAD ("OWG" or "THE COMPANY") ON THE MAIN
MARKET OF BURSA MALAYSIA SECURITIES BERHAD**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Only World Group Holdings Berhad and its subsidiaries ("the Group") for which the directors of OWG are solely responsible. The pro forma financial information consists of the pro forma consolidated statements of financial position as at 30 June 2014, the pro forma consolidated statements of profit or loss and other comprehensive income from the financial years ended 30 June 2012 to 2014 ("Relevant Financial Period") and the pro forma consolidated statement of cash flows for the financial year ended 30 June 2014 together with the accompanying notes thereto, as set out in the accompanying statements (initialed by us for the purpose of identification only). The applicable criteria on the basis of which the directors of OWG have compiled the pro forma financial information are as described in Note 1.2 to the pro forma financial information and in accordance with the requirements of the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia ("Prospectus Guidelines") ("Applicable Criteria").

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



The pro forma financial information has been compiled by the directors of OWG, for illustration purposes only, for inclusion in the Prospectus of OWG to be dated on 26 November 2014 in connection with the listing of and quotation for the entire enlarged issued and paid-up share capital of OWG on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), after making certain assumptions and such adjustments to show the effects on:

- (a) the consolidated financial results of the Group for the Relevant Financial Period on the basis that the Group structure as at the date of the Prospectus had been in existence throughout the Relevant Financial Period, after adjusted for the Acquisitions as described in Note 1.3(a) to the pro forma financial information;
- (b) the consolidated financial position of the Group as at 30 June 2014 together with the accompanying notes on the basis that the Group structure as at the date of the Prospectus had been in place on that date, adjusted for the effects of the Listing Scheme and the utilisation of the listing proceeds as described in Note 1.3 and Note 3.1 to the pro forma financial information, respectively; and
- (c) the consolidated cash flows of the Group for the financial year ended 30 June 2014 on the basis that the Group structure as at the date of the Prospectus had been in place throughout the financial period, after adjusted for the Acquisitions as described in Note 1.3(a) to the pro forma financial information.

As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the directors of OWG from the audited financial statements of the Company and its subsidiaries for the Relevant Financial Period as described in Note 1.1 to the pro forma financial information.

Directors' Responsibility for the Pro forma Financial Information

The directors of OWG are responsible for compiling the pro forma financial information based on the Applicable Criteria.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the pro forma financial information has been compiled, in all material respects, by the directors of OWG on basis of the Applicable Criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standard Board. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors of OWG has compiled, in all material respects, the pro forma financial information on the basis of the Applicable Criteria.

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

*Reporting Accountants' Responsibilities (Cont'd)*

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the directors of OWG in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the pro forma financial information of the Group has been properly prepared on the basis of assumptions set out in the accompanying notes to pro forma financial information, based on the audited financial statements of the Company and its subsidiaries as described in Note 1.1 to the pro forma financial information and in a manner consistent with both format of the financial statements and the accounting policies of the Group; and
- (b) each material adjustment made to the information used in the preparation of the pro forma financial information is appropriate for the purposes of preparing the pro forma financial information.

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



Other Matters

We understand that this letter will be used solely for the purpose stated above, in connection with the aforementioned transactions. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

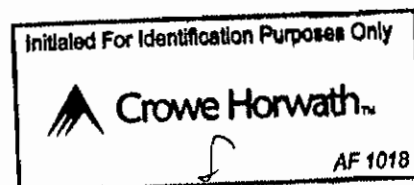
A handwritten signature in black ink, appearing to be "A. S. L.", written over a faint circular stamp.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

A handwritten signature in black ink, appearing to be "Chua Wai Hong", written over a faint circular stamp.

Chua Wai Hong
Approval No: 2974/09/15 (J)
Chartered Accountant

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")

PRO FORMA FINANCIAL INFORMATION

1. PRO FORMA GROUP AND BASIS OF PREPARATION

1.1 PRO FORMA GROUP

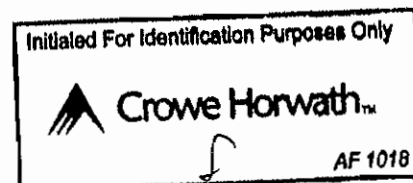
The pro forma financial information of Only World Group Holdings Berhad ("OWG" or "the Company") and its subsidiaries ("the Group"), comprising the financial information of the following companies, and are presented for the purpose of illustration only:-

- (a) OWG
- (b) Believe It Or Not Sdn. Bhd. ("Believe It Or Not")
- (c) Dunia Setulin Sdn. Bhd. ("Dunia Setulin")
- (d) K.C.K. Capital Sdn. Bhd. ("KCK")
- (e) Kota Tinggi Resorts Sdn. Bhd. ("Kota Tinggi Resorts")
- (f) Magnificent Empire Sdn. Bhd. ("Magnificent Empire")
- (g) Mercu Jutaan Sdn. Bhd. ("Mercu Jutaan")
- (h) Only Mee Sdn. Bhd. ("Only Mee")
- (i) Pedas Hot Spring & Food Resort Sdn. Bhd. ("Pedas Hot Spring")
- (j) Platinum Attractions Sdn. Bhd. ("Platinum Attractions") and Platinum Paradise Sdn. Bhd. ("Platinum Paradise") ("Platinum Attractions Group")
- (k) The Wet World Sdn. Bhd. ("The Wet World")

The relevant financial periods of the Group for the purpose of this report are as follows:-

Company	Relevant Financial Period	Audit Report Dated
OWG	Financial period from 8 November 2012 (date of incorporation) to 30 June 2013*	28 October 2013
	Financial year ended ("FYE") 30 June 2014 ("FYE 30.6.2014")*	12 September 2014
Believe It Or Not	FYE 30 June 2012 ("FYE 30.6.2012") [#]	6 November 2012
	FYE 30 June 2013 ("FYE 30.6.2013")*	28 October 2013
	FYE 30.6.2014*	12 September 2014
Dunia Setulin	FYE 30.6.2012 [#] ^	8 November 2012
	FYE 30.6.2013*	28 October 2013
	FYE 30.6.2014*	12 September 2014
Kota Tinggi Resorts	FYE 30.6.2012 [#]	19 November 2012
	FYE 30.6.2013*	28 October 2013
	FYE 30.6.2014*	12 September 2014
Magnificent Empire	FYE 30.6.2012 [#]	6 November 2012
	FYE 30.6.2013*	28 October 2013
	FYE 30.6.2014*	12 September 2014

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")
 PRO FORMA FINANCIAL INFORMATION (CONT'D)

1. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)

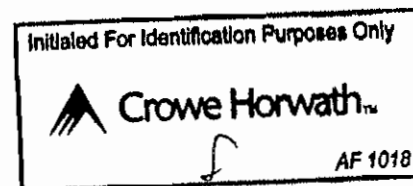
1.1 PRO FORMA GROUP (CONT'D)

The relevant financial periods of the Group for the purpose of this report are as follows (Cont'd):-

Company	Relevant Financial Period	Audit Report Dated
Mercu Jutaan	FYE 30.6.2012 [#] ^	8 November 2012
	FYE 30.6.2013*	28 October 2013
	FYE 30.6.2014*	12 September 2014
Only Mee	FYE 30.6.2012 [#]	6 November 2012
	FYE 30.6.2013*	28 October 2013
	FYE 30.6.2014*	12 September 2014
KCK	FYE 30.6.2012 [#]	6 November 2012
	FYE 30.6.2013*	28 October 2013
	FYE 30.6.2014*	12 September 2014
Pedas Hot Spring	FYE 30.6.2012 [#]	30 November 2012
	FYE 30.6.2013*	28 October 2013
	FYE 30.6.2014*	12 September 2014
Platinum Attractions	FYE 30.6.2012 [#]	6 November 2012
	FYE 30.6.2013*	28 October 2013
	FYE 30.6.2014*	12 September 2014
Platinum Paradise	FYE 30.6.2012 [#]	6 November 2012
	FYE 30.6.2013*	28 October 2013
	FYE 30.6.2014*	12 September 2014
The Wet World	FYE 30.6.2012 [#]	6 November 2012
	FYE 30.6.2013*	28 October 2013
	FYE 30.6.2014*	12 September 2014

Notes:-

- # - Prepared in accordance with the Financial Reporting Standards in Malaysia.
- * - Prepared in accordance with the Malaysian Financial Reporting Standards.
- ^ - Special audited report for the preparation of the pro forma financial information in the Prospectus of OWG in connection with the Listing of OWG's shares on the Main Market of Bursa Malaysia Securities Berhad.

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")****PRO FORMA FINANCIAL INFORMATION (CONT'D)****1. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)****1.1 PRO FORMA GROUP (CONT'D)**

The pro forma financial information of the Group is prepared on the assumption that the Group had been in existence throughout the FYE 30.6.2012 to FYE 30.6.2014. The pro forma financial information comprises the following:-

- Section 2 - Pro Forma Consolidated Statements of Profit or Loss And Other Comprehensive Income for the Relevant Financial Period;
- Section 3 - Pro Forma Consolidated Statements of Financial Position as at 30 June 2014; and
- Section 4 - Pro Forma Consolidated Statement of Cash Flow for the FYE 30.6.2014.

1.2 BASIS OF PREPARATION

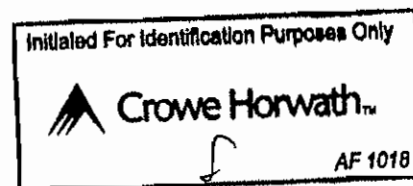
The pro forma financial information of the Group is prepared based on the audited financial statements of the respective companies for the Relevant Financial Period as disclosed in Section 1.1.

The audited financial statements of the respective companies for the Relevant Financial Period were not subject to any qualification or emphasis of matters.

Prior to 1 July 2012 of the Relevant Financial Period, the financial statements of the subsidiaries were prepared in accordance with Financial Reporting Standards ("FRSs"). For the purpose of this report, the financial statements of the subsidiaries were converted to comply with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs"). We have reviewed the financial statements of the subsidiaries, for financial years prior to 1 July 2012 of the Relevant Financial Period, for the conversion to MFRSs and IFRSs. There were no material financial impacts on the transition from FRSs to MFRSs and IFRSs.

The pro forma financial information for the Relevant Financial Period has been prepared in accordance with MFRSs, which is in line with the IFRSs consistent with those previously adopted in the preparation of the audited financial statements of the respective companies for the FYE 30.6.2014 and after incorporating adjustments that are appropriate for the preparation of the pro forma financial information.

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")

PRO FORMA FINANCIAL INFORMATION (CONT'D)

1. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)

1.2 BASIS OF PREPARATION (CONT'D)

The pro forma financial information has been prepared using the merger method. Under the merger method,

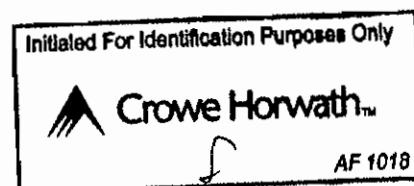
- (i) If the cost of merger is lower than the nominal value of the share capital of the subsidiaries acquired, a credit balance will arise and be treated as merger reserve under the pro forma consolidated statements of financial position.
- (ii) If the cost of merger exceeds the nominal value of the share capital of the subsidiaries acquired, a debit balance will arise and be treated as merger deficit under the pro forma consolidated statements of financial position.

The pro forma financial information has been prepared solely to illustrate:-

- (i) the financial results of the Group for the FYE 30.6.2012 to FYE 30.6.2014 on the assumption that the Group had been in existence throughout the Relevant Financial Period;
- (ii) the Pro Forma Consolidated Statements of Financial Position of the Group as at 30 June 2014 which incorporate the effects of the listing scheme as described below had the scheme been implemented; and
- (iii) the cash flows of the Group for the FYE 30.6.2014 on the assumption that the Group structure had been in place since the beginning of the financial year.

This report covers the financial information derived from the audited financial statements of the respective companies for the Relevant Financial Period. The financial statements of the respective companies are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with MFRSs and the provisions of the Companies Act 1965 in Malaysia.

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")

PRO FORMA FINANCIAL INFORMATION (CONT'D)

1. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)

1.3 DETAILS OF INITIAL PUBLIC OFFERING

OWG seeks a listing on the Main Market of Bursa Securities. The listing scheme comprises the following:-

(a) ACQUISITIONS

The Acquisitions involves the acquisition by OWG of the equity interest of the Subsidiaries (which is defined below) from Dato' Koh Cheng Keong and Datin Chew Lean Hong (herein referred to as the "Promoters") for a total consideration of RM64,295,547 to be satisfied by the issuance of 128,591,094 new OWG ordinary shares of RM0.50 each ("Shares") in OWG. As a result of the Acquisitions, OWG has an indirect interest in Platinum Paradise via Platinum Attractions as Platinum Paradise is a wholly-owned subsidiary of Platinum Attractions.

The purchase considerations of the Subsidiaries are as follows:-

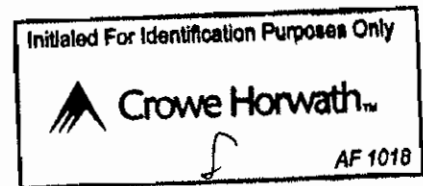
Subsidiary	Equity Interest	Purchase Consideration RM'000
1) Believe It Or Not	100%	2,323
2) Dunia Setulin	100%	1,991
3) KCK	100%	4,238
4) Kota Tinggi Resorts	70%	2,852
5) Magnificent Empire	100%	3,850
6) Mercu Jutaan	100%	6,248
7) Only Mee	100%	1,048
8) Pedas Hot Spring	98.75%	5,705
9) Platinum Attractions Group	100%	34,928
10) The Wet World	100%	1,113
		64,296

(collectively referred to as the "Subsidiaries")

The purchase consideration of RM64,295,547 was arrived at after taking into consideration the aggregate audited net assets position of the Subsidiaries as at 31 December 2012.

The Acquisitions was completed on 24 March 2014.

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")

PRO FORMA FINANCIAL INFORMATION (CONT'D)

1. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)

1.3 DETAILS OF INITIAL PUBLIC OFFERING (CONT'D)

(b) PUBLIC ISSUE

The Public Issue involves an issuance of 56,408,900 new Shares representing approximately 30.49% of the enlarged issued and paid-up share capital of OWG upon listing at an indicative issue price of RM0.88 per Share, to be allocated in the following manner:-

(i) **Malaysian Public**

9,250,000 Public Issue Shares, representing 5.00% of the enlarged issued and paid-up share capital of the OWG will be made available for application by the Malaysian Public to be allocated via balloting, of which 50.00% will be set aside for Bumiputera investors.

(ii) **Eligible Directors, Employees and Other Persons who have Contributed to the Success of the Group**

4,000,000 Public Issue Shares, representing approximately 2.16% of the enlarged issued and paid-up share capital of the OWG will be made available for application by eligible Directors, employees and other persons who have contributed to the success of the Group.

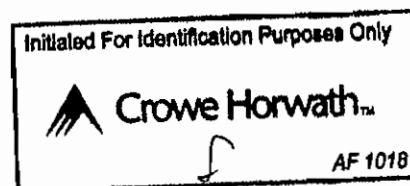
(iii) **Bumiputera Institutional and Selected Investors to be Approved by Minister of International Trade and Industry, Malaysia ("MITI")**

18,500,000 Public Issue Shares, representing 10.00% of OWG's enlarged issued and paid-up share capital will be made available for application by way of private placement to Bumiputera investors to be approved by MITI.

(iv) **Selected Investors by way of Private Placement**

24,658,900 Public Issue Shares, representing approximately 13.33% of the enlarged issued and paid-up share capital of the OWG will be made available for application by way of private placement to selected investors.

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")

PRO FORMA FINANCIAL INFORMATION (CONT'D)

1. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)

1.3 DETAILS OF INITIAL PUBLIC OFFERING (CONT'D)

(c) SHARE TRANSFER

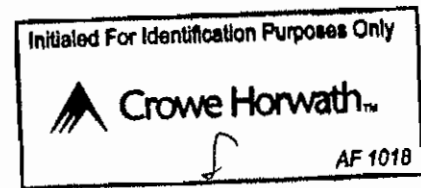
Upon completion of the Public Issue, the Promoters will hold an aggregate of 127,794,698 Shares.

During the prescription period, the Promoters will transfer 127,794,698 Shares to a private holding company, namely, Rich Dad, to be satisfied partly by the issuance of 99,900 ordinary shares of RM1.00 each in Rich Dad ("Rich Dad Shares") to be issued at par and the remaining balance of RM63,797,449 will remain as an amount owing from Rich Dad to the Promoters.

Further details of the Share Transfer are set out below:

Shareholders	Before the Share Transfer		After the Share Transfer	
	No. of Shares held after the Public Issue	No. of Shares to be transferred	No. of Shares held after the Share Transfer	% of the enlarged share capital
Dato' Koh Cheng Keong	107,684,688	107,684,688	-	-
Datin Chew Lean Hong	20,110,010	20,110,010	-	-
Rich Dad	-	-	127,794,698	69.08
Total	127,794,698	127,794,698	127,794,698	69.08

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")
 PRO FORMA FINANCIAL INFORMATION (CONT'D)

1. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)

1.3 DETAILS OF INITIAL PUBLIC OFFERING (CONT'D)

(c) SHARE TRANSFER (CONT'D)

The existing shareholders' shareholdings in Rich Dad and the indirect interest of the Promoters in OWG after the Share Transfer will be as follows:

Shareholders	Direct interest in Rich Dad		Indirect interest in OWG	
	No. of shares	%	No. of Shares	%
Dato' Koh Cheng Keong	80,000	80.00	127,794,698*	69.08
Datin Chew Lean Hong	19,998	20.00	127,794,698*	69.08
Khoong Wai Yee	1	#	- ^	-
Tan Thian Chai	1	#	- ^	-
Total	100,000	100.00	N/A	N/A

Notes:-

* Deemed interested by virtue of his/her direct interest in Rich Dad, pursuant to Section 6A of the Companies Act 1965.

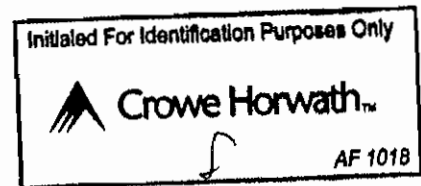
Negligible.

^ Pursuant to the Share Transfer, Khoong Wai Yee and Tan Thian Chai are not deemed to have an interest in OWG as their shareholding in Rich Dad will be less than 15.00%, pursuant to Section 6A of the Companies Act 1965.

(d) LISTING AND QUOTATION

Upon completion of the Public Issue and Share Transfer, OWG will seek the listing of and quotation for its entire issued and paid-up share capital of RM92,500,000 comprising 185,000,000 Shares on the Main Market of Bursa Securities.

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

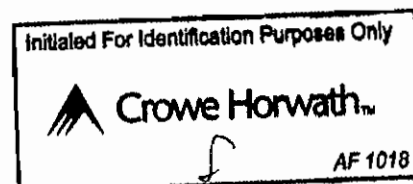


ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")
 PRO FORMA FINANCIAL INFORMATION (CONT'D)

2. PRO FORMA CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE GROUP

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Revenue	79,075	88,873	83,084
Cost of sales	(43,979)	(48,072)	(49,550)
Gross profit ("GP")	35,096	40,801	33,534
Other income	1,947	4,182	1,102
	37,043	44,983	34,636
Selling and distribution expenses	(752)	(594)	(455)
Administrative expenses	(12,562)	(15,207)	(11,714)
Other operating expenses	(1,763)	(1,166)	(1,155)
Finance costs	(1,086)	(1,060)	(1,251)
Profit before taxation ("PBT")	20,880	26,956	20,061
Income tax expense	(5,106)	(6,843)	(5,515)
Profit after taxation ("PAT")	15,774	20,113	14,546
Other comprehensive income:- <u>Items that will not be reclassified</u> <u>subsequently to profit or loss</u>			
- Revaluation of property, plant and equipment	9,914	-	-
- Remeasurement of deferred tax on revalued property arising from change in Real Property Gain Tax rates	-	-	(376)
Total comprehensive income for the financial year	25,688	20,113	14,170
PAT attributable to:-			
Owners of the Company	15,706	20,091	14,493
Non-controlling interests	68	22	53
	15,774	20,113	14,546
Total comprehensive income attributable to:-			
Owners of the Company	25,620	20,091	14,117
Non-controlling interests	68	22	53
	25,688	20,113	14,170

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")

PRO FORMA FINANCIAL INFORMATION (CONT'D)

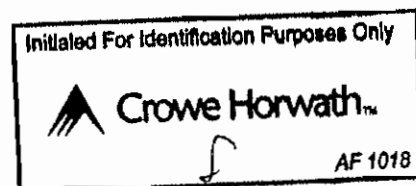
2. PRO FORMA CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE GROUP (CONT'D)

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
PAT	15,774	20,113	14,546
Income tax expense	5,106	6,843	5,515
PBT	20,880	26,956	20,061
Amortisation	102	1	-
Depreciation	5,235	5,018	4,832
Interest expense	1,086	1,060	1,251
Interest income	(224)	(697)	(577)
Earnings before interest, taxation, depreciation and amortisation	27,079	32,338	25,567
GP margin (%)	44.38	45.91	40.36
PBT margin (%)	26.41	30.33	24.15
PAT margin (%)	19.95	22.63	17.51
Effective tax rate (%)	24.45	25.39	27.49
Interest coverage (times)	20.23	26.43	17.04
Assumed number of ordinary shares in issue of RM0.50 each*	128,591,100	128,591,100	128,591,100
Gross earnings per share ("EPS") (RM)**	0.16	0.21	0.16
Net EPS (RM)**	0.12	0.16	0.11
Enlarged number of ordinary shares of RM0.50 each in issue^	185,000,000	185,000,000	185,000,000
Gross EPS (RM)^	0.11	0.15	0.11
Net EPS (RM)^	0.09	0.11	0.08

Notes:-

- * - Assumed number of ordinary shares in issue arrived at based on issued and fully paid-up capital after the Acquisitions but before the Public Issue.
- ** - The Gross EPS and Net EPS were computed by dividing the PBT and PAT respectively by the assumed number of ordinary shares in issue during the Relevant Financial Period.
- ^ - Enlarged number of ordinary shares in issue after Public Issue.
- ^^ - The Gross EPS and Net EPS were computed by dividing the PBT and PAT respectively by the enlarged number of ordinary shares in issue during the Relevant Financial Period.

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



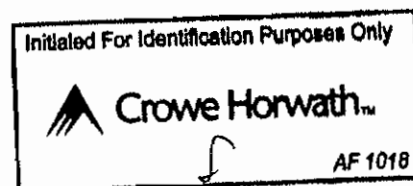
ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")

PRO FORMA FINANCIAL INFORMATION (CONT'D)

3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR THE GROUP AS AT 30 JUNE 2014

	NOTE	The Group Audited as at 30 June 2014 RM'000	Pro forma I Public Issue and Utilisation of Listing Proceeds RM'000
ASSETS			
NON-CURRENT ASSET			
Property, plant and equipment	3.3	77,286	120,286
Prepaid land lease payment		52	52
Deferred tax asset		159	159
		<u>77,497</u>	<u>120,497</u>
CURRENT ASSETS			
Inventories		1,318	1,318
Trade receivables		183	183
Other receivables, deposits and prepayments		14,212	14,212
Tax refundable		1,222	1,222
Deposits with licensed banks		11,081	11,081
Cash and bank balances	3.4	16,829	20,432
		<u>44,845</u>	<u>48,448</u>
TOTAL ASSETS		<u>122,342</u>	<u>168,945</u>

II. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



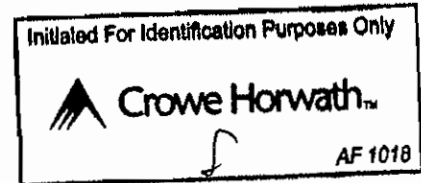
ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")

PRO FORMA FINANCIAL INFORMATION (CONT'D)

3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR THE GROUP AS AT 30 JUNE 2014 (CONT'D)

	NOTE	The Group Audited as at 30 June 2014 RM'000	Pro forma I Public Issue and Utilisation of Listing Proceeds RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share capital	3.5	64,296	92,500
Share premium	3.6	-	19,087
Merger deficit	3.7	(56,777)	(56,777)
Revaluation reserve		9,539	9,539
Capital reserve		1,200	1,200
Retained profits	3.8	64,852	64,164
Equity attributable to owners of the Company		83,110	129,713
Non-controlling interests		1,347	1,347
TOTAL EQUITY		84,457	131,060
NON-CURRENT LIABILITIES			
Provision		510	510
Long-term borrowings		25,083	25,083
Deferred tax liabilities		2,506	2,506
		28,099	28,099

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



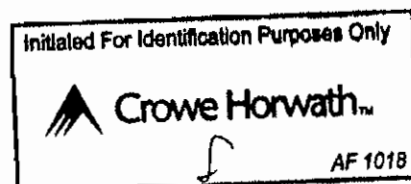
ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")

PRO FORMA FINANCIAL INFORMATION (CONT'D)

3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR THE GROUP AS AT 30 JUNE 2014 (CONT'D)

	The Group Audited as at 30 June 2014 RM'000	Pro forma I Public Issue and Utilisation of Listing Proceeds RM'000
CURRENT LIABILITIES		
Trade payables	2,095	2,095
Other payables, deposits received and accruals	5,611	5,611
Short-term borrowings	1,690	1,690
Provision for taxation	390	390
	9,786	9,786
TOTAL LIABILITIES	37,885	37,885
TOTAL EQUITY AND LIABILITIES	122,342	168,945
<i>Weighted average number of ordinary shares</i>	128,591,100	185,000,000
<i>Net assets ("NA") (excluding non-controlling interests) (RM'000)</i>	83,110	129,713
<i>NA per ordinary share (RM)</i>	0.65	0.70

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")

PRO FORMA FINANCIAL INFORMATION (CONT'D)

3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR THE GROUP AS AT 30 JUNE 2014 (CONT'D)

3.1 Pro forma I

Pro forma I incorporates the effects of the Public Issue and Utilisation of Listing Proceeds. The proceeds from the Public Issue will be utilised as follows:-

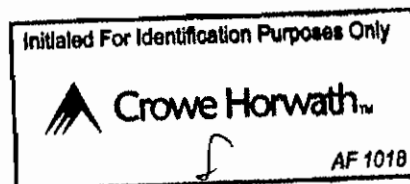
Details of the utilisation of proceeds	Amount of proceeds		Expected time frame for utilisation from the date of Listing
	RM'000	%	
KOMTAR Tower Revitalisation Project	30,000	60.44	Within thirty six (36) months
Business expansion	13,000	26.19	Within twenty four (24) months
Working capital	2,085	4.20	Within twenty four (24) months
Estimated listing expenses ^	4,555	9.17	Within three (3) months
	<u>49,640</u>	<u>100.00</u>	

Note:-

^ - The total estimated listing expenses is RM4,555,000 of which RM2,349,000 will be written off against the share premium account under Section 60(3) of the Companies Act 1965 in Malaysia. The balance of the estimated listing expenses of RM2,206,000 will be expensed off against the Statement of Profit or Loss and Other Comprehensive Income and this represents a one-off expenditure pursuant to the Public Issue.

As at 30 June 2014, a total listing expenses of approximately RM1,518,000 had been incurred and expensed off throughout the Relevant Financial Period.

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")

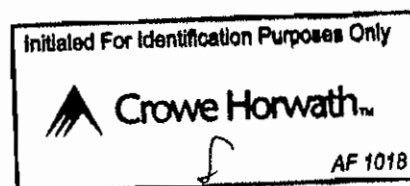
PRO FORMA FINANCIAL INFORMATION (CONT'D)

3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR THE GROUP AS AT 30 JUNE 2014 (CONT'D)

3.3 Property, Plant and Equipment

	At Cost RM'000	At Valuation RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
Freehold land	1,268	21,000	-	22,268
Animal and exhibition gallery	3,914	-	(3,877)	37
Buildings, roads and infrastructure	12,290	11,300	(6,948)	16,642
Computers	470	-	(395)	75
Electrical installation, renovation, signage and menus	11,482	-	(6,210)	5,272
Fire fighting and protection system	197	-	(134)	63
Food and beverage equipment and fittings	4,435	-	(3,233)	1,202
Kitchen furniture, fixtures, utensils, crockery, tools and equipment	2,770	-	(2,158)	612
Landscaping, kiosk, toilet and signboard	263	-	(238)	25
Machinery	2,294	-	(2,293)	1
Motor vehicles	1,269	-	(672)	597
Office equipment, furniture and fittings	12,907	-	(7,714)	5,193
Operating equipment	1,930	-	(1,150)	780
Tube, water park and auxiliary amusement equipment	26,756	-	(19,418)	7,338
Capital work-in-progress	17,181	-	-	17,181
As at 30 June 2014	99,426	32,300	(54,440)	77,286
Utilisation of Listing Proceeds	43,000	-	-	43,000
As per Pro forma I	142,426	32,300	(54,440)	120,286

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")

PRO FORMA FINANCIAL INFORMATION (CONT'D)

3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR THE GROUP AS AT 30 JUNE 2014 (CONT'D)

3.4 Cash And Bank Balances

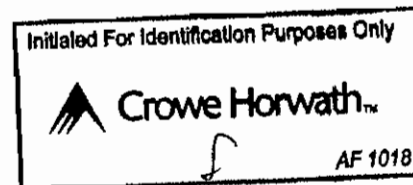
	RM'000
As at 30 June 2014	16,829
Proceeds from Public Issue	49,640
	<hr/> 66,469
Utilisation of Listing Proceeds:	
- KOMTAR Tower Revitalisation Project	(30,000)
- Business expansion	(13,000)
- Remaining estimated listing expenses #	(3,037)
	<hr/> 20,432
As per Pro forma I	<hr/> <hr/> 20,432
<i>Note:-</i>	
# - Estimated listing expenses	4,555
Paid/Payable as of 30 June 2014	(1,518)
	<hr/> 3,037
	<hr/> <hr/> 3,037

3.5 Share Capital

The movements in the issued and paid-up capital of OWG are as follows:-

	Number of Ordinary Shares ('000)	Share Capital RM'000
As at 30 June 2014	128,591	64,296
Public Issue	56,409	28,204
	<hr/> 185,000	<hr/> 92,500
As per Pro forma I	<hr/> <hr/> 185,000	<hr/> <hr/> 92,500

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")

PRO FORMA FINANCIAL INFORMATION (CONT'D)

3. PRO FORMA STATEMENTS OF FINANCIAL POSITION FOR THE GROUP AS AT 30 JUNE 2014 (CONT'D)

3.6 Share Premium

The movements in the share premium account are as follows:-

	RM'000
As at 30 June 2014	-
Public issue	21,436
	<hr/>
Estimated listing expenses ^	21,436 (2,349)
	<hr/>
As per Pro forma I	19,087
	<hr/>

The share premium is not distributable by way of cash dividends and may be utilised only in the manner set out in Section 60(3) of the Companies Act 1965 in Malaysia.

Note:-

^ - The total estimated listing expenses is RM4,555,000 of which RM2,349,000 will be written off against the share premium account under Section 60(3) of the Companies Act 1965 in Malaysia. The balance of the estimated listing expenses of RM2,206,000 will be expensed off against the Statement of Profit or Loss and Other Comprehensive Income and this represents an one-off expenditure pursuant to the Public Issue.

3.7 Merger Deficit

The merger deficit relate to the subsidiaries which were consolidated under the merger method of accounting.

The merger deficit arose from the difference between the nominal value of shares issued for the acquisition of the subsidiary and the nominal value of the shares acquired.

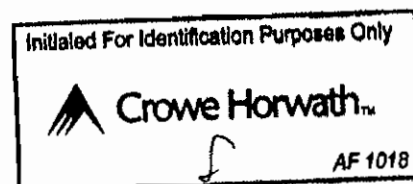
3.8 Retained Profits

	RM'000
As at 30 June 2014	64,852
The remaining estimated listing expenses ^	(688)
	<hr/>
As per Pro forma I	64,164
	<hr/>

Note:-

^ - The listing expenses of RM2,206,000 will be expensed off against the Statement of Profit or Loss and Other Comprehensive Income of which approximately RM1,518,000 has been expensed off as of 30 June 2014.

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



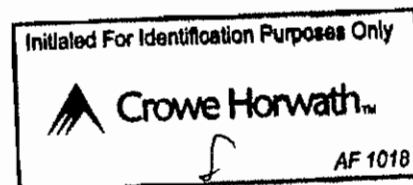
ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")

PRO FORMA FINANCIAL INFORMATION (CONT'D)

4. PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE GROUP FOR THE FYE 30 JUNE 2014

	NOTE	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		20,061
Adjustments for:-		
Allowance for impairment losses on receivables		48
Bad debts written off		31
Depreciation of property, plant and equipment		4,832
Equipment written off		129
Loss on disposal of equipment		445
Interest expense		1,251
Interest income		(577)
Reversal of provision for restoration costs		(190)
Writeback of allowance for impairment losses on receivables		(1)
		<hr/>
Operating profit before working capital changes		26,029
Decrease in inventories		214
Increase in trade and other receivables		(3,437)
Decrease in trade and other payables		(3,530)
		<hr/>
CASH FROM OPERATIONS		19,276
Income tax paid		(6,303)
Income tax refunded		908
Interest paid		(1,251)
Interest received		47
		<hr/>
NET CASH FROM OPERATING ACTIVITIES		12,677
		<hr/>
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment		(19,202)
Proceeds from disposal of equipment		506
Interest received		530
		<hr/>
NET CASH FOR INVESTING ACTIVITIES		(18,166)
		<hr/>
BALANCE CARRIED FORWARD		(5,489)
		<hr/>

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



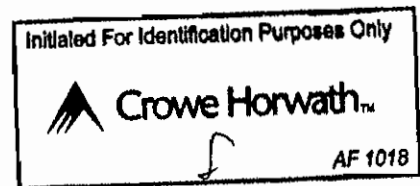
ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")
 PRO FORMA FINANCIAL INFORMATION (CONT'D)

4. PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE GROUP FOR THE FYE 30 JUNE 2014 (CONT'D)

	NOTE	RM'000
BALANCE BROUGHT FORWARD		(5,489)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to a related party		(2)
Repayment of hire purchase obligations		(18)
Drawdown of term loans		2,060
Repayment of term loans		(1,243)
NET CASH FROM FINANCING ACTIVITIES		<u>797</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(4,692)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		<u>32,602</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	4.1	<u>27,910</u>

The Pro Forma Consolidated Statement of Cash Flows of the Group has been prepared before taking into account the proceeds from the Public Issue and the utilisation of proceeds from the Public Issue.

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



ONLY WORLD GROUP HOLDINGS BERHAD ("OWG") AND ITS SUBSIDIARIES ("THE GROUP")

PRO FORMA FINANCIAL INFORMATION (CONT'D)

4. PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE GROUP FOR THE FYE 30 JUNE 2014 (CONT'D)

4.1 Cash And Cash Equivalents

For the purpose of the Pro Forma Consolidated Statement of Cash Flows, the cash and cash equivalents comprised the following:-

	RM'000
Deposits with licensed banks	11,081
Cash and bank balances	16,829
	27,910

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 09 OCT 2014

On behalf of the Board,

Datin Chew Lean Hong

Ng Kuan Hua

12. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS

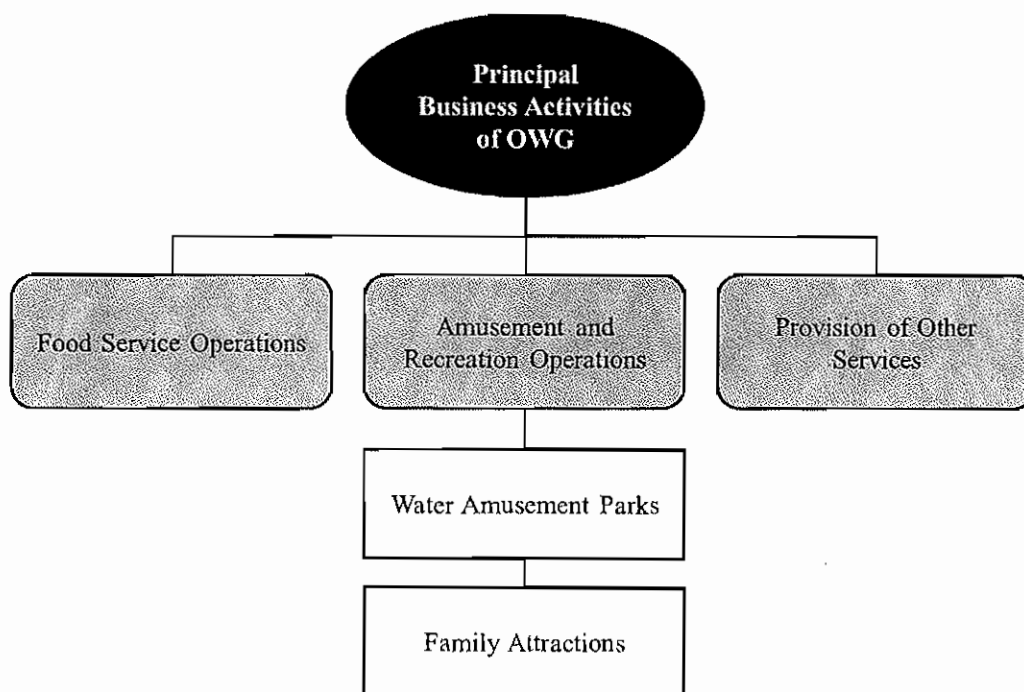
The following discussion and analysis of our Group’s financial condition and results of operations should be read in conjunction with our Group’s pro forma historical financial information and its accompanying notes included in Section 11 of this Prospectus and the Accountants’ Report and its accompanying notes as set out in Section 13 of this Prospectus, where relevant.

This management discussion and analysis contains forward-looking statements that involve risks and uncertainties. The actual results may differ significantly from those projected in the forward-looking statements. Factors that may cause future results to differ significantly from those included in the forward-looking statements include, but are not limited to those discussed below and in particular the risk factors as set out in Section 4 of this Prospectus.

The financial analysis, commentaries and pro forma financial information in respect of our Group’s financial performance are presented for illustration purposes only and on the assumption that our Group has been in existence throughout the financial years under review. OWG was only incorporated on 8 November 2012 and accordingly, the first audited financial statements cover the period from 8 November 2012 to 30 June 2014. As such, the commentary on the past three (3) financial years up to the FYE 30 June 2014 refers to the past performance of our Subsidiaries.

12.1 Overview of Our Business Operations

We are an investment holding company and are engaged in the provision of management services whilst our subsidiaries are principally providers of leisure and hospitality services incorporating the operation of food service outlets, water amusement parks and family attractions and other services as depicted in the diagram below:



12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Our revenue is derived mainly from our food service outlets. For the FYE 30 June 2014, our food service operations accounted for 71.36% of our Group's total revenue as well as 62.04% of our Group's total PBT, respectively.

Water amusement parks and family attractions that we operate accounted for 16.35% of our Group's total revenue for the FYE 30 June 2014 as well as 25.87% of our Group's total PBT, respectively, where the three (3) water amusement parks under the *Wet World* brand name accounted for 12.41% of our Group's total revenue as well as 19.03% of our Group's total PBT for the FYE 30 June 2014 and the two (2) family attractions, namely *RIPLEY'S Believe It or Not* and *HAUNTED ADVENTURE* accounted for 3.94% of our total revenue as well as 6.84% of our Group's total PBT for the FYE 30 June 2014.

Revenue from the operation of other services such as a resort, souvenir imaging services, beautification, healthcare and wellness services and children entertainment services accounted for 12.29% of our Group's total revenue as well as 12.09% of our Group's total PBT for the FYE 30 June 2014.

The slight decrease in our revenue for the FYE 30 June 2014 was attributable mainly to the decrease in revenue contribution from our Group's operations in Genting Highlands as a result of the Closure of *Outdoor Theme Park* and the Upgrading & Development Works as discussed in Sections 6.2.4 and 6.2.5 of this Prospectus.

12.2 Results of Operations

Our Group's results of operations have been categorised based on two (2) segments as follows:

- (i) business activities, which are categorised based on the operation of food service outlets, operation of amusement and recreation outlets (which includes water amusement parks and family attractions) and provision of other services (which includes a resort, souvenir imaging services, beautification, healthcare and wellness services and children entertainment services); and
- (ii) companies within our Group based on the pro forma financial information of our Group for the past three (3) financial years up to the FYE 30 June 2014.

12.2.1 Revenue

The segmental analysis of our Group's revenue is set out in the ensuing paragraphs.

(i) Business Activities

The table below sets out the revenue analysis based on our Group's business activities for the financial years under review:

Revenue	-----FYE 30 June ----->					
	2012		2013		2014	
	RM'000	%	RM'000	%	RM'000	%
Food service operations	57,416	72.61	63,763	71.75	59,290	71.36
Amusement and recreation operations:						
- Water amusement parks	9,856	12.46	9,157	10.30	10,314	12.41
- Family attractions	4,702	5.95	4,479	5.04	3,270	3.94
Sub-total	14,558	18.41	13,636	15.34	13,584	16.35
Other services	7,101	8.98	11,474	12.91	10,210	12.29
Total	79,075	100.00	88,873	100.00	83,084	100.00

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Food Service Operations

The details of the revenue generated from our food service operations for the relevant financial years under review are set out below:

	<-----FYE 30 June----->		
	2012	2013	2014
Food service operations	RM'000	RM'000	RM'000
Revenue from the operation of food service outlets	57,416	63,763	59,290
Number of food service outlets	22	26	23

Our Group's main source of revenue is from the operation of our food service outlets, which contributes more than 70.00% of our Group's total revenue for the financial years under review. Our food service outlets are mainly located in Genting Highlands, where it contributed more than 90.00% to the revenue of our Group's food service operation for the financial years under review.

Our Group recorded a revenue of RM63.76 million from our food service operations for the FYE 30 June 2013, representing an increase of 11.05% as compared to the revenue recorded for the FYE 30 June 2012 of RM57.42 million. The increase in revenue was due predominantly to our Group's improved marketing strategies to attract new patrons and to meet the ever changing consumer preference and tastes. Some of the strategies implemented by our Group include:

- introduction of new dishes and menus every six (6) months (on average) to cater for seasonal tourists;
- increased number of F&B items sold at our kiosks;
- introduction of live cooking and improved food displays to attract new, "impulse" and on-the-go purchases;
- cross-selling of our food service outlets at our water amusement park and family attractions via discount and promotional vouchers;
- operational improvements in terms of the waiting time for patrons as well as the service delivery of our F&B items at our food service outlets;
- increased number of employees at food service outlets with high traffic flow to attend to more customers as well as to deliver faster turnaround time for our F&B items; and
- new promotional efforts such as the listing of promotions on on-line deal voucher sites such as Groupon, Living Social, My Deal and Street Deal.

All the above strategies had contributed to the increase in selling prices of our F&B items of our food service outlets and the increase in patronage for both sit-in and take-away customers.

Further, our Group's Halal certification coupled with the strategy of having different outlets targeting different market segments, by offering a diverse range of F&B items, have also enabled our Group to address and serve a wider target market. For instance, *1 Meter Teh* and *Only Easy Store* which serves light meals, snacks and beverages, primarily targets the take-away patrons whilst the food service outlets such as *Only Mee*, *Shanghai 10*, *eastcourt*, *Noodle & Lok Lok* (previously known as *Jia Food For The Seasons*), *RICHADAD* and *HERE* (previously known as *MODESTOS*) primarily targets the sit-in patrons by offering a wide variety of local, Western and Shanghainese cuisines.

Notwithstanding the above, the revenue from our food service operations for the FYE 30 June 2014 had decreased marginally of 7.02% from RM63.76 million in FYE 30 June 2013 due mainly to the closure of ten (10) food service outlets during the year as a result of the Closure of Outdoor Theme Park and the Upgrading & Development Works as detailed in Sections 6.2.4 and 6.2.5 of this Prospectus. This slight decline in the revenue from our food service operations in Genting Highlands is mitigated as the landlord had offered new premises to our Group for the relocation of the affected food service outlets, where these relocated outlets have commenced operations in July 2014.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Amusement and Recreation Operations

The details of the revenue generated from our water amusement parks for the relevant financial years under review are set out below:

	<-----FYE 30 June----->					
	2012		2013		2014	
	RM'000	%	RM'000	%	RM'000	%
Water amusement parks						
<i>Wet World Water Park Shah Alam</i>	5,808	58.93	5,355	58.48	6,045	58.61
<i>Wet World Air Panas Pedas Resort</i>	2,017	20.46	1,815	19.82	2,377	23.05
<i>Wet World Batu Pahat Village Resort</i>	2,031	20.61	1,987	21.70	1,892	18.34
Total revenue	9,856	100.00	9,157	100.00	10,314	100.00

Our revenue from the operations of the three (3) water amusement parks is derived mostly from the collection of entrance fees, rental of function areas for customised events, sales of on-premise F&B and sales of retail items such as t-shirts, swimming apparel and accessories, children floats and toys. As part of our sales and marketing strategies, throughout the years, we have engaged third parties' services such as agents to promote our water amusement parks.

The revenue from our water amusement parks had decreased 7.09% from RM9.86 million in the FYE 30 June 2012 to RM9.16 million in the FYE 30 June 2013 due predominantly to the decrease in patronage of 21.95% as a result of the Management's change in growth strategy where more sales and marketing efforts were focused in the growth of our food service operations as well as our sales from customised corporate events.

Despite the drop in patronage in the FYE 30 June 2014, the revenue from our water amusement parks had increased 12.64% due mainly to the higher sales secured from customised corporate events.

Further to the above, the number of patrons for our water amusement parks for the relevant financial years under review is as follows:

	<-----FYE 30 June----->		
	2012	2013	2014
Number of patrons*			
<i>Wet World Water Park Shah Alam</i>	239,585	174,713	162,860
<i>Wet World Air Panas Pedas Resort</i>	140,021	107,086	104,132
<i>Wet World Batu Pahat Village Resort</i>	99,426	92,104	88,492
Total number of patrons	479,032	373,903	355,484

Note:

* This was computed based on the Management's best estimate after taking into consideration the number of patrons as reflected in our records of ticket sales.

Based on the table above, the *Wet World Water Park Shah Alam* has generated the highest revenue and patronage as compared to the other two (2) water amusement parks. This is due mainly to the location of this water amusement park that is strategically located within a highly dense populated area. Further, the introduction of new attractions coupled with the improvements on the water amusement park as a result of the renovation and upgrading works of the *Wet World Water Park Shah Alam* have also contributed to higher patronage as compared to the other two (2) water amusement parks.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

The decline in patronage to our three (3) water amusement parks from the FYE 30 June 2012 to the FYE 30 June 2013 was due predominantly to the Management's change in growth strategy, where more sales and marketing efforts were focused in the growth of our food service operations for the FYE 30 June 2013, which is evidenced by the increase in the revenue from our food service operations of 11.05%. The lower engagement of agents to promote our water amusement parks during the FYE 30 June 2013 has also contributed to the decline in patronage to our water amusement parks.

For the FYE 30 June 2014, the Management has adopted a strategy, where they focused on securing more sales from customised corporate events, which generate higher revenue. This is evidenced by the increase in the revenue from the water amusement park operations of 12.64%, despite the decline in patronage.

The table below sets out the details of the revenue generated from our family attractions for the relevant financial years under review:

	←-----FYE 30 June----->		
	2012	2013	2014
Family attractions	RM'000	RM'000	RM'000
<i>RIPLEY'S Believe It or Not</i>	1,544	1,966	1,540
<i>HAUNTED ADVENTURE</i>	3,158	2,513	1,730
Total revenue	4,702	4,479	3,270

Further to the above, the number of patrons for our family attractions is as follows:

	←-----FYE 30 June----->		
	2012	2013	2014
Number of patrons*			
<i>RIPLEY'S Believe It or Not</i>	103,180	99,495	80,972
<i>HAUNTED ADVENTURE</i>	127,170	105,856	67,813
Total number of patrons	230,350	205,351	148,785

Note:

* This was computed based on the Management's best estimate after taking into consideration the number of patrons as reflected in our records of ticket sales.

Revenue from the family attractions businesses is derived mainly from the collection of entrance fees and the sales of retail items from the operations of both *RIPLEY'S Believe It or Not* and *HAUNTED ADVENTURE*. As part of our sales and marketing strategies, we have also engaged third parties' services such as agents to promote our family attractions outlets.

Revenue for our family attractions is heavily dependent on the number of patrons who visits both *RIPLEY'S Believe It or Not* and *HAUNTED ADVENTURE*. The revenue from our family attractions business had decreased marginally from RM4.70 million in the FYE 30 June 2012 to RM4.48 million in the FYE 30 June 2013 due primarily to the lower patronage as a result of the Management's change in growth strategy, where more sales and marketing efforts were focused in the growth of our food service operations.

The overall lower visitations to Resorts World Genting as a result of the Upgrading & Development Works had contributed to the lower patronage to our family attractions for the FYE 30 June 2014, which correspondingly affected the revenue generated from the family attractions businesses.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Other Services

Apart from the operation of a resort, namely *Kota Tinggi Waterfalls Resort*, Kota Tinggi, Johor Darul Takzim, we have also engaged third parties to manage the retail outlets of our Group located in Genting Highlands. These retail outlets provide services such as souvenir imaging services through *DigiPhoto* kiosks, beautification, healthcare and wellness services through *Artoo*, *HEALING TOUCH*, *WellCare Clinic*, *PEDAS SPRINGS spa*, *PEDAS SALON*, *BEAUTY FIRST HAIR SALON* and children entertainment services through *Jungle Gym Kidz Spa & Adventure Playland*.

The table below sets out the details of the revenue generated from other services for the relevant financial years under review:

	<-----FYE 30 June----->		
	2012	2013	2014
Other services	RM'000	RM'000	RM'000
Resort	2,217	2,113	1,866
Other retail outlets	4,884	9,361	8,344
Total revenue	7,101	11,474	10,210
Number of patrons – Resort*	180,740	173,399	164,442

Note:

* This was computed based on the Management's best estimate after taking into consideration the number of patrons as reflected in our records of room accommodation and daily ticket sales to the *Kota Tinggi Waterfalls*.

Our revenue generated from the resort operation of RM2.11 million for the FYE 30 June 2013 represented a decrease of 4.69% as compared to the FYE 30 June 2012 of RM2.22 million. This was due mainly to the decrease in patronage as a result of the mining activities near our resort that have polluted the natural environment surrounding our resort which in turn affected the patronage to our resort. In addition, the flash floods that struck our resort during the holiday season in December 2013 had further affected the patronage, which resulted in a decrease of 11.69% in revenue for the FYE 30 June 2014.

The operation of the *DigiPhoto* kiosks is the major contributor of the revenue generated from our other retail outlets with of 32.31% to 48.98% contribution for the financial years under review. The significant increase in the revenue from our other retail outlets of 91.67% in the FYE 30 June 2013 was attributable mainly to the increase in sales from our *DigiPhoto* kiosks as a result of the opening of six (6) additional *DigiPhoto* kiosks located at the outdoor theme park of Genting Highlands in February 2013.

We had recorded a decrease of 10.86% in the revenue from our retail outlets in the FYE 30 June 2014 due mainly to the closure of eight (8) *DigiPhoto* kiosks as a result of the Closure of Outdoor Theme Park and the Upgrading & Development Works.

This decline in the revenue from our operations of *DigiPhoto* kiosks will be mitigated upon completion of the construction of the Twentieth Century Fox. Further, some of the affected *DigiPhoto* kiosks will be reopened correspondingly when some of the rides located in the indoor theme park in Genting Highland are reopened for operation upon completion of the Upgrading & Development Works.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(ii) Companies

The table below sets out the details of the revenue generated from the companies within our Group:

Revenue	-----FYE 30 June ----->					
	2012		2013		2014	
	RM'000	%	RM'000	%	RM'000	%
OWG	-	-	-	-	180	0.22
Believe It Or Not	6,280	7.94	8,581	9.66	7,358	8.86
Dunia Setulin	9,385	11.87	10,001	11.25	7,513	9.04
KCK	7,015	8.87	9,734	10.95	7,438	8.95
Kota Tinggi Resorts	2,217	2.80	2,155	2.42	2,269	2.73
Magnificent Empire	14,401	18.21	17,209	19.37	13,401	16.13
Mercu Jutaan	5,808	7.35	5,355	6.03	7,148	8.60
Only Mee	5,096	6.44	5,405	6.08	4,336	5.22
Pedas Hot Spring	2,017	2.55	1,850	2.08	2,722	3.28
Platinum Attractions	7,579	9.59	7,401	8.33	6,991	8.41
Platinum Paradise	26,918	34.04	31,516	35.46	31,848	38.33
The Wet World	262	0.33	223	0.25	290	0.35
	86,978	109.99	99,430	111.88	91,494	110.12
Consolidation adjustments	(7,903)	(9.99)	(10,557)	(11.88)	(8,410)	(10.12)
Total	79,075	100.00	88,873	100.00	83,084	100.00

Subsidiaries that are involved predominantly in the operation of food service outlets namely, Dunia Setulin, Magnificent Empire and Platinum Paradise are the major contributors to our Group's revenue with an aggregate contribution of more than 60.00% for the relevant financial years under review.

The increase in the revenue contribution from Dunia Setulin, Magnificent Empire and Platinum Paradise for the FYE 30 June 2013 was due predominantly to the increase in revenue from the food service operations as mentioned in Section 12.2.1 (i) above.

On the other hand, the decrease in the revenue contribution from Dunia Setulin and Magnificent Empire for the FYE 30 June 2014 was attributable to the closure of certain food service outlets during the year as a result of the Closure of Outdoor Theme Park and the Upgrading & Development Works as also mentioned in Section 12.2.1(i) above.

Despite the closure of certain food service outlets, Platinum Paradise managed to record a slight increase in revenue for the FYE 30 June 2014 due primarily to the opening of one (1) new food service outlet, namely *QiQi Taiwan Cuisine* in August 2013.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)
12.2.2 Cost of sales

Our cost of sales analysis for the financial years under review are as follows:

(i) Business Activities

Cost of sales	-----FYE 30 June ----->					
	2012		2013		2014	
	RM'000	%	RM'000	%	RM'000	%
Food service operations:						
- Direct materials	16,826	38.26	17,189	35.76	17,367	35.05
- Direct labour	7,779	17.69	8,206	17.07	7,729	15.60
- Depreciation and amortisation	1,003	2.28	1,017	2.11	1,111	2.24
- Rental	6,356	14.45	7,528	15.66	7,650	15.44
- Other costs	2,216	5.04	2,421	5.04	2,549	5.14
Sub-total	34,180	77.72	36,361	75.64	36,406	73.47
Amusement and recreation operations:						
- Direct materials	686	1.56	759	1.58	938	1.89
- Direct labour	2,083	4.73	1,596	3.32	1,849	3.73
- Depreciation and amortisation	1,336	3.04	1,645	3.42	1,549	3.13
- Rental	901	2.05	674	1.40	1,220	2.59
- Other costs	1,729	3.93	1,380	2.87	1,674	3.25
Sub-total	6,735	15.31	6,054	12.59	7,230	14.59
Other services:						
- Direct materials	163	0.37	94	0.19	97	0.20
- Direct labour	8	0.02	-	-	-	-
- Depreciation and amortisation	662	1.51	668	1.39	598	1.21
- Rental	1,787	4.06	4,464	9.29	4,888	9.86
- Other costs	444	1.01	431	0.90	331	0.67
Sub-total	3,064	6.97	5,657	11.77	5,914	11.94
Total	43,979	100.00	48,072	100.00	49,550	100.00

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Food Service Operations

Direct materials, direct labour and rental cost are the major costs involved in our food service operations and have contributed at least 65.00% of our Group's total cost of sales for this business activity for the relevant financial years under review.

Direct materials cost comprise mainly of the purchase of food ingredients such as meat, poultry, seafood products, fruits, vegetables, canned and bottled beverages, utensils, cutlery and consumables, whereas direct labour cost comprise of staff costs.

The increase in cost of sales of approximately RM2.18 million for the FYE 30 June 2013 was due mainly to the increase in direct materials, direct labour and rental costs, which was in tandem with the increase in the revenue generated from the food service operations as discussed in Section 12.2.1(i) of this Prospectus.

Despite the decline in the revenue generated from our food service operations, our Group had recorded a slight increase of 0.12% in cost of sales for the FYE 30 June 2014. This is attributable mainly to the increase in direct materials and rental costs of 1.04% and 1.62%, respectively. The increase in direct materials cost was due mainly to the recognition of costs for perishable goods for *HERE* (previously known as *MODESTOS*) in May 2014 subsequent to the termination of business arrangement with Modestos World Sdn Bhd. The increase in rental cost was a result of the full year recognition of rental paid for *HERE*. Both costs for perishable goods and rental were previously absorbed and borne by Modestos World Sdn Bhd.

The decrease in the direct labour cost for the FYE 30 June 2014 of 5.81% was in tandem with the closure of certain food service outlets as a result of the Upgrading & Development Works as discussed in Sections 6.2.5 and 12.2.1(i) of this Prospectus.

Amusement and Recreation Operations

Direct labour, depreciation and amortisation as well as rental cost are the major costs involved in our amusement and recreation operations and have contributed at least 64.00% of the total cost of sales for this business activity for the relevant financial years under review.

The lower direct labour cost for the FYE 30 June 2013 was a result of the approach undertaken by our Management to improve cost-efficiencies by aligning resources. The 23.13% increase in the depreciation and amortisation cost for the FYE 30 June 2013 was due primarily to the full year recognition of the depreciation cost for the installed equipments in Wet World Water Park Shah Alam, which was installed in June 2012.

The higher direct labour costs for the FYE 30 June 2014 was a result of the increase in employment of part time employees to assist in two hundred and ninety (290) customised corporate events held in all the three (3) water amusement parks as compared to one hundred and six (106) customised corporate events secured in the FYE 30 June 2013. The decrease in depreciation and amortisation of 5.84% for the FYE 30 June 2014 was due mainly to some operating equipments of our family attractions being fully depreciated in the FYE 30 June 2013. The significant increase in the rental cost for the FYE 30 June 2014 was due to the rental paid for the new kiosks carrying souvenirs products under the consignment arrangement with third parties. This new kiosks are located in our family attractions. Based on the consignment arrangement with third parties, our Group is entitled to a profit sharing of thirty percent (30%) to forty percent (40%) based on the net sales on a monthly basis.

12. **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS** *(Cont'd)*

Other Services

The rental cost is the major cost involved in our operations of other services, contributing more than 75.00% of the total cost of sales of this business activity for the relevant financial years under review.

The significant increase in cost of sales of 84.63% for the FYE 30 June 2013 was attributable mainly to the significant increase in rental costs due to the opening of additional six (6) DigiPhoto kiosks in February 2013.

The slight increase in cost of sales for the FYE 30 June 2014 was due to the increase in rental cost as a result of the recognition of full year rental cost from the six (6) DigiPhoto kiosks, which was opened in February 2013 as mentioned above.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(ii) Companies

The table below sets out the details of the cost of sales incurred by the companies within our Group:

Cost of sales	-----FYE 30 June ----->					
	2012		2013		2014	
	RM'000	%	RM'000	%	RM'000	%
OWG	-	-	-	-	-	-
Believe It Or Not	2,318	5.27	4,104	8.54	4,785	9.66
Dunia Setulin	6,212	14.12	6,563	13.65	4,940	9.97
KCK	5,473	12.45	7,927	16.49	6,474	13.07
Kota Tinggi Resorts	910	2.07	948	1.97	836	1.68
Magnificent Empire	8,158	18.55	9,240	19.22	6,865	13.85
Mercu Jutaan	2,651	6.03	2,547	5.30	3,994	8.06
Only Mee	4,014	9.13	3,989	8.30	3,393	6.84
Pedas Hot Spring	1,618	3.68	1,579	3.28	2,213	4.47
Platinum Attractions	4,842	11.01	4,561	9.49	4,394	8.87
Platinum Paradise	14,968	34.03	16,556	34.44	19,165	38.68
The Wet World	22	0.05	-	-	-	-
	51,186	116.39	58,014	120.68	57,059	115.15
Consolidation adjustments	(7,207)	(16.39)	(9,942)	(20.68)	(7,509)	(15.15)
Total	43,979	100.00	48,072	100.00	49,550	100.00

Dunia Setulin, Magnificent Empire and Platinum Paradise, which are involved predominantly in our food service operations, on aggregate, have contributed more than 60.00% to our Group's total cost of sales for all the relevant financial years under review.

The increase in cost of sales from Dunia Setulin, Magnificent Empire and Platinum Paradise for the FYE 30 June 2013 were in tandem with the increase in revenue from the food service operations managed by these three (3) companies for all the relevant financial years under review as mentioned in Section 12.2.1(ii) above.

The cost of sales from Dunia Setulin and Magnificent Empire had decreased significantly for the FYE 30 June 2014 due primarily to the closure of certain food service outlets as a result of the Closure of Outdoor Theme Park and the Upgrading & Development Works as mentioned in Sections 6.2.4, 6.2.5 and 12.2.1(i) of this Prospectus.

On the other hand, the cost of sales from Platinum Paradise had increased 15.76% for the FYE 30 June 2014 due to the change in the recognition of costs for perishable goods for *HERE* (previously known as *MODESTOS*) in May 2014 subsequent to the termination of business arrangement with Modestos World Sdn. Bhd and the full year recognition of rental paid for *HERE* during the year. Both costs for perishable goods and rental were previously absorbed and borne by Modestos World Sdn Bhd.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.3 GP and GP Margin

Our GP contribution and GP margin analysis for the financial years under review are as follows:

(i) Business Activities

	<-----FYE 30 June ----->					
	2012		2013		2014	
	RM'000	%	RM'000	%	RM'000	%
GP contribution						
Food service operations	23,236	66.21	27,402	67.16	22,884	68.24
Amusement and recreation operations:						
- Water amusement parks	4,416	12.58	4,125	10.11	4,573	13.64
- Family attractions	3,407	9.71	3,457	8.47	1,781	5.31
Sub-total	7,823	22.29	7,582	18.58	6,354	18.95
Other services:						
- Resort	1,442	4.11	1,365	3.35	1,176	3.51
- Other retail outlets	2,595	7.39	4,452	10.91	3,120	9.30
Sub-total	4,037	11.50	5,817	14.26	4,296	12.81
Total	35,096	100.00	40,801	100.00	33,534	100.00

	<-----FYE 30 June ----->		
	2012	2013	2014
	%	%	%
GP margin			
Food service operations	40.47	42.97	38.60
Amusement and recreation operations:			
- Water amusement parks	44.81	45.05	44.34
- Family attractions	72.46	77.18	54.46
Other services:			
- Resort	65.04	64.60	63.02
- Other retail outlets	53.13	47.56	37.39
Overall GP margin	44.38	45.91	40.36

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Our Group's overall GP contribution and GP margin for the financial years under review was affected mainly by the changes in the selling price of our food products, the entrance fees for our amusement and recreation premises and the prices of our other services rendered against the purchase price of food ingredients and raw materials for our food service outlets, rental of premises, labour costs, utilities costs and upkeep costs for our amusement parks and recreation premises.

Our Group's GP contribution had increased approximately RM5.71 million for the FYE 30 June 2013 due to the higher GP contribution from the operation of food service and other retail outlets. The higher GP margin for the FYE 30 June 2013 was attributable to the higher GP margin achieved from the food service operations as well as the amusement and recreation operations.

However, both of our Group's GP contribution and GP margin had declined in the FYE 30 June 2014 due to the lower contribution from our Group's operations in Genting Highlands as a result of the Closure of Outdoor Theme Park and the Upgrading & Development Works as disclosed in Section 6.2.5 of this Prospectus.

Food Service Operations

The increase in the GP contribution and GP margin from our food service outlets was due primarily to the higher increase in revenue as compared to the increase of its corresponding cost of sales in the FYE 30 June 2013. This was largely attributable to the constant improvement in our Group's cost control procedures and economies of scale achieved via our centralised kitchen facility.

Our centralised kitchen facility serves as the central purchasing centre, where all items such as canned and bottled beverages, utensils and cutlery, and consumables are purchased in bulk to capitalise on the higher discounts given by the suppliers. Further, our centralised kitchen facility prepares most of the food items such as groceries, cooked frozen food, partially cooked frozen food, pastries, spices, sauces and soup bases. As such, the manpower to prepare the food items are reduced at our food service outlets.

However, the GP contribution and GP margin from our food service outlets had declined in the FYE 30 June 2014 as a result of the Closure of Outdoor Theme Park and the Upgrading & Development Works. Notwithstanding that, the decline in the GP contribution and GP margin is mitigated as the landlord had offered new premises to our Group for the relocation of the affected food service outlets, where these relocated outlets have commenced operations in July 2014.

Amusement and Recreation Operations

The decline in the GP contribution but increase in GP margin for FYE 30 June 2013 was due predominantly to the decrease in cost of sales items such as direct labour as a result of our Management's efforts to improve cost-efficiencies by aligning resources of our amusement and recreation operations and the decrease in upkeep of the water amusement parks as the equipment are newly installed.

Notwithstanding that the GP contribution from our water amusement parks operations for the FYE 30 June 2014 had increased 10.86% from RM4.13 million in the FYE 30 June 2013, the GP margin had decreased marginally from 45.05% to 44.34%. This was attributable mainly to the higher additional direct labour costs incurred to cater for the increase in the number of customised corporate functions secured during the year.

12. **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS** *(Cont'd)*

The increase in the GP contribution and GP margin for our family attractions operations for the FYE 30 June 2013 was due mainly to the upward adjustment to the entrance fees of HAUNTED ADVENTURE since October 2012 of 23.00% to 33.00% for different categories of tickets.

However, for the FYE 30 June 2014, the GP contribution and GP margin from our family attractions operations had recorded a significant decrease due to the decline in the number of patrons who visit *RIPLEY'S Believe It or Not* and *HAUNTED ADVENTURE* as a result of the Upgrading & Development Works. Notwithstanding that the lower revenue was generated during the year, the corresponding costs incurred for this business operation had remained fairly consistent.

Other Services

The lower GP contribution and the decreasing trend of the GP margin for our resort operation was due mainly to the lower revenue generated for the relevant financial years under review, notwithstanding that most of the costs incurred for this business activity have remained consistent.

Our DigiPhoto kiosks are the major contributor of the GP for our other retail outlets for the financial years under review. Despite the increase in the GP contribution from other retail outlets in the FYE 30 June 2013, the GP margin had decreased 5.57% due mainly to the higher rental costs incurred for the additional DigiPhoto kiosks which were opened during the year.

For the FYE 30 June 2014, both the GP contribution and GP margin were affected by the lower revenue generated during the year due to the closure of eight (8) *DigiPhoto* kiosks as a result of the Closure of Outdoor Theme Park and the Upgrading & Development Works.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(ii) Companies

GP contribution	<-----FYE 30 June ----->					
	2012		2013		2014	
	RM'000	%	RM'000	%	RM'000	%
OWG	-	-	-	-	180	0.54
Believe It Or Not	3,962	11.29	4,477	10.97	2,573	7.67
Dunia Setulin	3,173	9.04	3,438	8.43	2,573	7.67
KCK	1,542	4.39	1,807	4.43	964	2.88
Kota Tinggi Resorts	1,307	3.72	1,207	2.96	1,433	4.27
Magnificent Empire	6,243	17.79	7,969	19.53	6,536	19.49
Mercu Jutaan	3,157	9.00	2,808	6.88	3,154	9.41
Only Mee	1,082	3.08	1,416	3.47	943	2.81
Pedas Hot Spring	399	1.14	271	0.66	509	1.52
Platinum Attractions	2,737	7.80	2,840	6.96	2,596	7.74
Platinum Paradise	11,950	34.05	14,960	36.67	12,683	37.82
The Wet World	240	0.68	223	0.55	290	0.87
	35,792	101.98	41,416	101.51	34,435	102.69
Consolidation adjustments	(696)	(1.98)	(615)	(1.51)	(901)	(2.69)
Total	35,096	100.00	40,801	100.00	33,534	100.00

GP margin	<-----FYE 30 June ----->		
	2012	2013	2014
	%	%	%
OWG	-	-	100.00
Believe It Or Not	63.09	52.17	34.97
Dunia Setulin	33.81	34.38	34.25
KCK	21.98	18.56	12.97
Kota Tinggi Resorts	58.95	56.01	63.16
Magnificent Empire	43.35	46.31	48.77
Mercu Jutaan	54.36	52.44	44.12
Only Mee	21.23	26.20	21.75
Pedas Hot Spring	19.78	14.65	18.70
Platinum Attractions	36.11	38.37	37.13
Platinum Paradise	44.39	47.47	39.83
The Wet World	91.60	100.00	100.00
Overall GP Margin	44.38	45.91	40.36

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

The major GP contributors to our Group were Platinum Paradise, Magnificent Empire and Believe It Or Not, with all three (3) companies contributed an aggregate of between 63.13% and 67.17% for all the financial years under review. These companies save for Believe It Or Not are primarily in the operation of food service outlets.

Notwithstanding the above, Believe It Or Not, Kota Tinggi Resorts and The Wet World have recorded a higher GP margin for the relevant financial years under review, save for the FYE 30 June 2014 as the Upgrading & Development Works had affected the revenue contribution of Believe It Or Not, which is involved in the operation of our family attractions and *DigiPhoto* kiosks. Kota Tinggi Resorts and The Wet World are involved in the resort operation as well as brand owner and merchandiser, respectively.

Believe It Or Not and Kota Tinggi Resorts have managed to record a higher GP margin due mainly to the nature of these companies' businesses, where a large portion of the cost of sales of are consistent throughout the years such as depreciation and rental costs, with minimal upkeep and maintenance costs. As such, these companies have recorded a higher GP margin as compared to the other companies that are involved in the food service operations, where the cost of sales is subject to fluctuation.

The Wet World is principally engaged in the business as a brand owner and merchandiser whereby its revenue comprised only of royalty fees and sales of retail items such as t-shirts and soft toys. For the FYE 30 June 2013 and FYE 30 June 2014, The Wet World's revenue comprised only of royalty fees as there were no sales of retail items. As such, The Wet World managed to achieve a 100% GP margin for the aforesaid financial years.

OWG is principally engaged in investment holding and provision of management services whereby its revenue comprised only of management fees from its subsidiaries. As such OWG managed to achieve a 100% GP margin for FYE 30 June 2014.

12.2.4 Other Income

Our Group's other income for the financial years under review consists mainly of interest income and rental income received from World Equipment Sdn Bhd. For the FYE 30 June 2013, the higher other income was due mainly to a one-off gain on disposal of thirty six (36) units of Ria Apartments, located in Genting Highlands, which amounted to RM3.14 million.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)
12.2.5 PBT and PBT Margin

Our PBT and PBT margin analysis for the financial years under review are as follows:

(i) Business Activities

PBT / (LBT)	<-----FYE 30 June ----->					
	2012		2013		2014	
	RM'000	%	RM'000	%	RM'000	%
Food service operations	12,286	58.84	14,404	53.44	12,445	62.03
Amusement and recreation operations:						
- Water amusement parks	3,151	15.09	3,219	11.94	3,818	19.03
- Family attractions	2,498	11.96	2,922	10.84	1,371	6.84
Sub-total	5,649	27.05	6,141	22.78	5,189	25.87
Other services:						
- Resort	450	2.16	320	1.19	(27)	(0.13)
- Other retail outlets	1,066	5.10	2,950	10.94	2,454	12.23
Sub-total	1,516	7.26	3,270	12.13	2,427	12.10
Non-operational items	1,429	6.85	3,141	11.65	-	-
Total	20,880	100.00	26,956	100.00	20,061	100.00

PBT / (LBT) margin	<-----FYE 30 June ----->		
	2012	2013	2014
	%	%	%
Food service operations	21.40	22.59	20.99
Amusement and recreation operations:			
- Water amusement parks	31.97	35.15	37.02
- Family attractions	53.13	65.24	41.93
Other services:			
- Resort	20.30	15.14	(1.45)
- Other retail outlets	21.83	31.51	29.41
Overall PBT margin	26.41	30.33	24.15

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Generally, our Group's PBT contribution is influenced primarily by our Group's GP contribution as our selling and distribution and administrative expenses, comprising of advertisement and promotion, travelling, staff expenses, office supplies, maintenance expenses as well as utilities are fairly consistent and in tandem with the direction and strategy of our business for the relevant financial years under review due to the nature of our Group's business.

Food Service Operations

Notwithstanding that the selling and distribution, administrative, other operating expenses and finance cost of our food service operations have increased 22.56% for the FYE 30 June 2013 as a result of our growth in this segment, the PBT contribution and PBT margin from our operation of food service outlets have increased due mainly to the higher increase in the GP contribution of 17.93% for the FYE 30 June 2013.

The 13.60% decrease in PBT contribution from our food service operations for the FYE 30 June 2014 was attributable to the higher decrease in the GP contribution of 16.49% despite the decrease in advertising and promotional expenses incurred for our food service operations as a result of the Upgrading & Development Works and the decrease in directors' remuneration as well as other administrative expenses.

Amusement and Recreation Operations

The PBT contribution and PBT margin from the operation of the water amusement parks have increased in the FYE 30 June 2013 due to the recognition of full year financial impact on the upward adjustment to the entrance fees of the *Wet World Water Park Shah Alam* since January 2012, coupled with the decrease in the selling and distribution expenses due to the Management's change in growth strategy where more sales and marketing efforts were focused in the growth of our food service operations.

Both the PBT contribution and PBT margin from our operation of the water amusement parks have increased in the FYE 30 June 2014 due to the higher sales generated from two hundred and ninety (290) customised corporate events as compared to one hundred and six (106) customised corporate events secured in FYE 30 June 2013 coupled with the decrease in repair and maintenance expenses.

The increased PBT contribution and PBT margin from our operation of family attractions in the FYE 30 June 2013 was due primarily to the increase in GP contribution and GP margin as a result of the upward adjustment to the entrance fees of *HAUNTED ADVENTURE* since October 2012 for different categories of tickets.

The decrease in PBT contribution from our operation of family attractions for the FYE 30 June 2014 was attributable to the higher decrease in the GP contribution of 48.48%.

12. **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS** *(Cont'd)*

Other Services

The PBT contribution and PBT margin from our resort operation was lower for the FYE 30 June 2013 due mainly to the lower revenue as a result of the mining activities near our resort and the corresponding GP contribution as well as the increase in administrative expenses attributable primarily to the upkeep of the resort.

Our resort operation had recorded a LBT for the FYE 30 June 2014 due mainly to the lower revenue as a result of the flash floods that struck our resort during the holiday season in December 2013. and the corresponding increase in upkeep, repair and maintenance expenses of the abovementioned incident.

For the FYE 30 June 2013, the higher PBT contribution and PBT margin derived from the operation of other retail outlets was due predominantly to the opening of six (6) additional *DigiPhoto* kiosks in February 2013 and the full year recognition of revenue from three (3) *DigiPhoto* kiosks, which was opened in January and June 2012.

The decrease in PBT contribution from our operation of other retail outlets for the FYE 30 June 2014 was attributable to the higher decrease in the GP contribution of 29.92%.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)
(ii) Companies

PBT / (LBT)	-----FYE 30 June----->					
	2012		2013		2014	
	RM'000	%	RM'000	%	RM'000	%
OWG	-	-	(7)	(0.03)	-*	-*
Believe It Or Not	3,001	14.37	3,887	14.42	1,737	8.66
Dunia Setulin	1,306	6.25	1,688	6.26	852	4.25
KCK	1,064	5.10	36	0.13	(398)	(1.98)
Kota Tinggi Resorts	270	1.29	95	0.35	183	0.91
Magnificent Empire	4,658	22.31	6,905	25.62	6,362	31.71
Mercu Jutaan	2,312	11.07	2,326	8.63	2,891	14.41
Only Mee	582	2.79	892	3.31	488	2.43
Pedas Hot Spring	232	1.11	79	0.29	164	0.82
Platinum Attractions	5,157	24.70	10,978	40.73	2,220	11.07
Platinum Paradise	4,594	22.00	8,664	32.14	5,357	26.70
The Wet World	147	0.71	124	0.47	205	1.02
	23,323	111.70	35,667	132.32	20,061	100.00
Consolidation adjustments	(2,443)	(11.70)	(8,711)	(32.32)	-*	-*
Total PBT	20,880	100.00	26,956	100.00	20,061	100.00

PBT / (LBT) margin	-----FYE 30 June----->		
	2012	2013	2014
	%	%	%
OWG	-	-	-*
Believe It Or Not	47.79	45.30	23.61
Dunia Setulin	13.92	16.88	11.34
KCK	15.17	0.37	(5.35)
Kota Tinggi Resorts	12.18	4.41	8.07
Magnificent Empire	32.34	40.12	47.47
Mercu Jutaan	39.81	43.44	40.44
Only Mee	11.42	16.50	11.25
Pedas Hot Spring	11.50	4.27	6.02
Platinum Attractions	68.04	148.33	31.76
Platinum Paradise	17.07	27.49	16.82
The Wet World	56.11	55.61	70.69
Group's PBT Margin	26.41	30.33	24.15

Note:

* Less than RM1,000 or 0.01%.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

For the relevant financial years under review, the highest consistent PBT contributing companies were by companies involved mainly in the operation of food service outlets.

For the FYE 30 June 2013, the top three (3) highest PBT contributing companies were Platinum Attractions, Platinum Paradise and Magnificent Empire where they contributed 40.73%, 32.14% and 25.61%, respectively to our Group's total PBT.

For the FYE 30 June 2014, Magnificent Empire, Platinum Paradise and Platinum Attractions contributed 31.71%, 26.70% and 11.07%, respectively to our Group's total PBT. However, for the same financial year, Mercuri Jutean had contributed slightly higher PBT of 14.41% due mainly to the higher sales from customised events, coupled with the decrease in administrative expenses as a result of the one-off provision of penalty fee in FYE 30 June 2013 of RM250,000 arising from renovation works at the Wet World Water Park, Shah Alam.

12.2.6 Income Tax Expense

Our income tax expense and effective tax rates for the financial years under review are as follows:

	<-----FYE 30 June----->		
	2012	2013	2014
	RM'000	RM'000	RM'000
Income tax expense	5,106	6,843	5,515
Effective tax rate (%)	24.45	25.39	27.49
Malaysian statutory tax rate (%)	25.00	25.00	25.00

Our effective tax rate of 24.45% and 25.39% for the FYE 30 June 2012 and FYE 30 June 2013 respectively, were relatively consistent as compared to the statutory tax rate. Our effective tax rate of 27.49% for the FYE 30 June 2014 was slightly higher than the statutory tax rate due mainly to the tax adjustment made on non-deductible expenses such as legal and professional fees, allowance for impairment losses and equipment written off.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.7 PAT and PAT Margin

Our PAT and PAT margin analysis for the past three (3) financial years up to the FYE 30 June 2014 are as follows:

(i) Business Activities

The PAT analysis by business activities for all the relevant financial years are not presented as we do not maintain such information.

(ii) Companies

PAT / (LAT)	-----FYE 30 June----->					
	2012		2013		2014	
	RM'000	%	RM'000	%	RM'000	%
OWG	-	-	(7)	(0.03)	-*	-*
Believe It Or Not	2,207	13.99	2,913	14.49	1,280	8.80
Dunia Setulin	986	6.25	1,273	6.33	652	4.48
KCK	1,022	6.48	(203)	(1.01)	(300)	(2.06)
Kota Tinggi Resorts	213	1.35	68	0.33	167	1.15
Magnificent Empire	3,454	21.90	5,151	25.61	4,771	32.80
Mercu Jutaan	1,734	10.99	1,681	8.36	2,248	15.45
Only Mee	447	2.83	660	3.28	374	2.57
Pedas Hot Spring	389	2.47	144	0.72	48	0.33
Platinum Attractions	4,019	25.48	8,202	40.78	1,870	12.86
Platinum Paradise	3,032	19.22	6,671	33.17	3,277	22.53
The Wet World	104	0.66	93	0.45	159	1.09
	17,607	111.62	26,646	132.48	14,546	100.00
Consolidation adjustments	(1,833)	(11.62)	(6,533)	(32.48)	-*	-*
Total PAT	15,774	100.00	20,113	100.00	14,546	100.00
Total PATAMI	15,706	-	20,091	-	14,493	-

Note:

* Less than RM1,000 or 0.01%.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

PAT / (LAT) Margin	<-----FYE 30 June----->		
	2012	2013	2014
	%	%	%
OWG	-	-	*
Believe It Or Not	35.14	33.95	17.40
Dunia Setulin	10.51	12.73	8.68
KCK	14.57	(2.09)	(4.03)
Kota Tinggi Resorts	9.61	3.16	7.36
Magnificent Empire	23.98	29.93	35.60
Mercu Jutaan	29.86	31.39	31.45
Only Mee	8.77	12.21	8.63
Pedas Hot Spring	19.29	7.78	1.76
Platinum Attractious	53.03	110.82	26.75
Platinum Paradise	11.26	21.17	10.29
The Wet World	39.69	41.70	54.83
Group's PAT Margin	19.95	22.63	17.51

Note:

* Less than RM1,000 or 0.01%.

The individual PAT contribution and PAT margin from our Subsidiaries is predominantly affected by the respective subsidiaries' PBT contribution and income tax expenses. Please refer to Section 12.2.5 of this Prospectus for the explanation behind the PBT contribution and Section 12.2.6 for the explanation on income tax expense.

Our Group's PAT and PAT margin for all the financial years under review are as follows:

	<-----FYE 30 June----->		
	2012	2013	2014
	RM'000	RM'000	RM'000
PAT	15,774	20,113	14,546
PAT margin (%)	19.95	22.63	17.51

Our Group's PAT was on an increasing trend for the relevant financial years under review, save for the FYE 30 June 2014. The decrease in PAT contribution and PAT margin for the FYE 30 June 2014 was due predominantly to the Upgrading & Development Works. The overall movement in PAT, PAT margin and PATAMI is in line with the movement in revenue, GP and PBT as explain in Sections 12.2.1, 12.2.2 and 12.2.5 of this Prospectus.

The variance between PAT and PATAMI due to the remaining 30.00% equity interest in Kota Tinggi Resorts and remaining 1.25% equity interest in Pedas Hot Spring not held by our Company upon the Acquisitions.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.8 Segmental Analysis by Geographical Markets

There is no financial analysis by market / geographical location as all our Group's operations are within Malaysia.

12.3 Factors and Trends Affecting Future Financial Condition and Results

Factors that may cause future financial condition and operation results to differ significantly from those included in the forward-looking statements include, but are not limited to, those discussed below and elsewhere of this Prospectus, particularly the risk factors as set out in Section 4 of this Prospectus.

Save as disclosed in Section 12.4 of this Prospectus, our results of operations and financial conditions in the coming future may be affected by the following factors:

- the on-going implementation of the KOMTAR Tower Revitalisation Project in Georgetown, Penang. This revitalisation project is intended to increase the overall attractiveness of KOMTAR tower and create a new tourist attraction. This project will allow us to establish a physical presence in Georgetown, Penang and draw new revenue stream. The project is expected to be completed in the third (3rd) quarter of 2015;
- the venturing into the franchise programme in the first (1st) quarter of 2016 whereby we intend to grant franchisees the right to use the *Only Mee* brand, trademark, franchise business operating system, and to sell *Only Mee* products. We expect the franchise programme to create a new revenue stream in the form of franchise, advertising and promotion, other fees, and by supplying food products to the franchisees;
- the opening of additional food service outlets by the first (1st) half of 2015. Our incremental income will come from these additional food service outlets. Our ability to expand successfully is backed by our past experiences in the operation of food service outlets;
- the opening of one (1) or more one-stop-station in the area around Klang Valley and Johor Darul Takzim by end of 2015 and 2016 which offers a combination of "Fun, Food and Good Living" experiences to the public. We plan to bring in together several of our food service outlets together with one or more family attractions at a single location under a unifying theme with a focus on family-centric activities; and
- the execution of phase two (2) expansion plan to enhance the facilities at *Wet World Water Park Shah Alam* in first (1st) half of 2015. The phase two (2) expansion plan is expected to complete by the end of the same year.

The above discussion is based on our Directors knowledge and experience of our business, operations and management, current economic and operating conditions and various assumptions regarding future events and actions to be taken by us.

Our competitive advantages and key strengths as set out in Section 6.1.4 of this Prospectus provided the foundation for the sustainability of our business and financial growth. Our future plans, strategies and prospects as set out in Section 6.21 will further contribute to the sustainable growth of our financial performance.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.4 Significant Factors Materially Affecting Our Group's Operations and Profits

In addition to the factors and trends set out in Section 12.4 of this Prospectus, the main factors that have affected and are expected to continue to affect our profits include but are not limited to the following:

(i) Competitive Advantages and Key Strengths

Our competitive advantages and key strengths will provide a platform for continuing growth and success. These include the following:

- We have our own brand names;
- We operate a centralised kitchen facility to support our F&B operations;
- We have in-house R&D centre and a test kitchen;
- We have an experienced management team;
- We use proprietary recipes to prepare our dishes;
- We have the capability to develop new menus and recipes;
- Our centralised kitchen facility has obtained Halal certification;
- Our *Wet World* water amusement parks have distinctive water rides;
- We are an established and experienced water amusement park operator; and
- Our food service and other outlets are integral to other attractions.

Please refer Section 6.1.4 of this Prospectus for further details on our competitive advantages and key strengths.

(ii) Industry Performance

Performance of the food service, and amusement and recreation industries in Malaysia as discussed in Section 7 of this Prospectus, including:

- Macroeconomic and socioeconomic performance such as real GDP growth, the level of consumer confidence, population, income and expenditure, and tourist arrivals and receipts;
- Government initiatives such as the Economic Transformation Programme (ETP); and
- Drivers of growth such as socio-economic growth, increasing consumer affluence, change in consumer lifestyle and government initiatives.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

(iii) Demand for Food Services and Amusement and Receptions

Some of the factors that will have impact on the food service industry are as follows:

- Household expenditure on restaurants and cafes. Higher average household expenditure represents stronger demand for food services from Malaysian households; and
- Internal tourism consumption on F&B serving services. An increase in internal tourism consumption of F&B serving services would imply a stronger demand for food services from Malaysian residents and non-residents as part of their trips.

Some of the factors that will have impact on the amusement and recreation industries are as follows:

- Household expenditure on cultural services, and entertainment, recreation and sports. An increase in average household expenditure would imply a stronger demand for amusement and recreational activities from Malaysian households;
- Internal tourism consumption on cultural, sports and recreational services. An increase in internal tourism consumption would imply a stronger demand for amusement and recreational activities from tourists; and
- Income from leisure activities. The income derived from leisure activities directly reflects the total demand of the respective leisure activity.

Some of the factors that will have impact on the food services, and amusement and recreation industries are as follows:

- Per capita income. In general, an increase in the average affluence of Malaysia, which can be represented by per capita income, may result in an increase in consumer spending on discretionary leisure activities and food related services;
- Household expenditure. An increase in the average household expenditure may result in higher consumer spending, which is a favourable indicator for expenditure in consumer discretionary items, such as leisure activities and food services;
- Population growth. Growth in Malaysia's population will provide the impetus for demand for both amusement attractions and food services; and
- Tourist arrivals and receipts. Demand of such services is also dependent on tourist arrivals and tourist receipts in Malaysia, as amusement attractions and food services are also consumed by foreign tourists.

(Source: Independent Assessment of the Food Service, and Amusement and Recreation Industries in Malaysia prepared by Vital Factor Consulting Sdn Bhd)

Please refer to Section 7 for further details on demand for food services, and amusement and recreations.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(iv) Industry Outlook

The general outlook of the overall leisure and hospitality industry is dependent on the following factors:

- Economic conditions;
- Population, income and expenditure;
- Tourist arrivals and receipts; and
- Government initiatives.

Please refer to Section 7 for further details on the industry outlook.

(v) Public Liability

Operators in the amusement and recreation industry directly serve the general public, and patrons make use of equipment, facilities and amenities at amusement and recreation venues. There is a risk of equipment failure or incidences leading to injuries or loss of life, which could subject the operator to legal redress, which may impact financially on the business as well as contributing to bad publicity for the operator. Bad publicity may discourage visitors to the venues. Operators of food service outlets also face potential incidences at their premises which may lead to consumers seeking for legal redress against them.

Please refer to Sections 4.2.8 and 7 for further details and mitigating factors relating to public liability.

(vi) Reputation Risk

Operators in the food service industry are sensitive to public perception as food served at outlets is consumed directly by consumers. Incidents such as serving contaminated food and actions that are intended to cause harm to an operator such as sabotage and the spread of malicious rumours, may damage the public's perception of an operator. Incidents that damage the public's perception of an operator may harm its brand name and reputation, which in turn may have a negative effect on their performance.

Please refer to Sections 4.2.7 and 7 for further details and mitigating factors relating to reputation risk.

(vii) Fluctuations in Prices of Raw Materials

Operators in the food service industry use various types of raw materials and ingredients in the preparation of F&B. As such, increases in the prices of raw materials and ingredients could have an impact on the operator's performance, or affect its price competitiveness if the increase in cost is passed on to consumers.

Please refer to Sections 4.2.2 and 7 for further details and mitigating factors relating to fluctuations in the prices of raw materials.

(viii) Impact of Inflation

There was no material impact of inflation on our Group's historical financial results for the years / periods under review. Further, due to the nature of our businesses, we are able to pass on any increase in cost to our customers and hence, maintain our GP margin and to remain competitive.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(ix) Government / Economic / Fiscal / Monetary Policies

Risks relating to government, economic, fiscal or monetary policies or factors, which may materially affect our operations, are set out in Sections 4 and 7 of this Prospectus.

There is no government, economic, fiscal or monetary policies or factors that have materially affected or could materially affect our Group's operations for the past three (3) financial years up to the FYE 30 June 2014.

Please refer to Section 4 of this Prospectus for further factors that may have an impact on our Group's financial position and results of operations.

12.5 Capitalisation and Indebtedness

The following information should be read in conjunction with the Reporting Accountants' Letter on the Compilation of Pro Forma Financial Information and Accountants' Report as set in Sections 11.4 and 13 of this Prospectus respectively.

The following table shows our cash and cash equivalents, indebtedness and capitalisation of our Group as at 30 June 2014:

	Audited as at 30 June 2014 ^(a)	After IPO
	RM'000	RM'000
Cash and cash equivalents	27,910	31,513
Indebtedness		
<u>Current</u>		
Secured:		
Term loans	1,599	1,599
Finance lease payables	91	91
	1,690	1,690
<u>Non-current</u>		
Secured:		
Term loans	24,674	24,674
Finanee lease payables	409	409
	25,083	25,083
Total indebtedness	26,773	26,773
Capitalisation		
Total shareholders' equity excluding NCI	83,110	129,713
Total capitalisation and indebtedness	109,883	156,486

Note:

(a) Based on the pro forma consolidated statements of financial position of our Group as at 30 June 2014 incorporating the effects of the Acquisitions but prior to our IPO and utilisation of proceeds.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

12.6 Liquidity and Capital Resources

12.6.1 Working Capital

We have been financing our operations via a combination of internally generated funds and bank borrowings. Our principal utilisations of funds have been for working capital and purchase of property, plant and equipment. As at 30 June 2014, we have cash and cash equivalents of RM27.91 million and bank borrowings of RM26.77 million. As at 30 June 2014, our total borrowings, after incorporating the effects of our IPO, are set out in Section 12.5 of this Prospectus.

After incorporating the effects of our IPO and utilisation of proceeds, as at 30 June 2014, our Group has cash and cash equivalents of approximately RM31.51 million and total bank borrowings of approximately RM26.77 million. Our Group's debt to equity ratio as at 30 June 2014 is 0.21 times after incorporating the effects of our IPO and the utilisation of proceeds.

Our Directors are of the opinion that, after taking into consideration the current cash position of our Group, the expected funds to be generated from operating activities, amounts available under our existing banking facilities and the proceeds expected to be raised from the Public Issue, our Group will have adequate working capital to meet our present and foreseeable requirements for a period of twelve (12) months from the date of this Prospectus.

12.6.2 Pro Forma Consolidated Statement of Cash Flows Summary

The following is a summary of our pro forma consolidated statement of cash flows for the FYE 30 June 2013 and should be read in conjunction with the Reporting Accountants' Letter on the Compilation of Pro Forma Financial Information as set out in Section 11.4 of this Prospectus:

	Audited FYE 30 June 2014 RM'000
Net cash generated from operating activities	12,677
Net cash generated for investing activities	(18,166)
Net cash from financing activities	797
Net decrease in cash and cash equivalents	(4,692)
Cash and cash equivalents at beginning of the financial year	32,602
Cash and cash equivalents at end of the financial year	27,910

All of our cash and cash equivalents are held in RM.

Our Directors are of the opinion that there is no legal, financial or economic restriction on the ability of our Subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances and are therefore confident that we can meet our cash obligations.

12. **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS** *(Cont'd)*

(i) Net Cash Generated from Operating Activities

For the FYE 30 June 2014, our Group generated positive net cash of approximately RM12.68 million from the ordinary course of business as well as adjustments for the non-cash items including depreciation of approximately RM4.83 million.

In addition, changes in working capital decreased by approximately RM6.75 million due mainly to an increase in trade and other receivables of RM3.44 million and a decrease in trade and other payables of RM3.53 million. Further, approximately RM6.30 million was used to pay income tax during the financial year.

(ii) Net Cash Generated from Investing Activities

For the FYE 30 June 2014, the net cash for investing activities amounted to approximately RM18.17 million. Approximately RM19.20 million was predominantly utilised for the purchase of property, plant and equipment in respect of the refurbishment and landscaping work for the KOMTAR Tower Revitalisation Project.

(iii) Net Cash Used in Financing Activities

Net cash from financing activities for the FYE 30 June 2014 amounted to approximately RM0.80 million. Cash inflow consists of drawdown of term loans of approximately RM2.06 million for the renovation and refurbishment work of the food service outlets located at Genting Highlands. Approximately RM1.24 million was utilised for repayment of term loans in respect of the financing for the Warehouse Complex and the financing for the renovation works for the Warehouse Complex and food service outlets in Genting Highlands.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

12.6.3 Borrowings

The table below sets forth our total outstanding bank borrowings as at 30 June 2014.

Borrowings	Audited 30 June 2014 RM'000
Secured short-term borrowings	
Term loans	1,599
Finance lease payable	91
Total secured short-term borrowings	1,690
Secured long-term borrowings	
Term loans	24,674
Finance lease payable	409
Total secured long-term borrowings	25,083
Total borrowings	26,773
Pro forma gearing ratio (times) ^(a)	0.32

Note:

- (a) *Computed based on the total interest bearing borrowings over our pro forma shareholders' equity excluding NCI (after the Acquisitions but before our IPO and utilisation of proceeds) as at 30 June 2014 of RM83.11 million.*

Our Group's secured short-term and long-term borrowings were all denominated in RM. These borrowings bore effective interest rates ranging from 4.45% to 5.10%. Our borrowings were mainly utilised to finance the purchase of the Warehouse Complex, Intermediate Double Storey Terraced House A and Intermediate Double Storey Terraced House B as well as for capital expenditures such as renovation of food service outlets.

There was no default on payments of either interest and / or principal sums in respect of any borrowings throughout the past one (1) financial year and up to the LPD. Our Group is not in breach of any terms and conditions or covenants associated with the credit arrangement or bank loan which can materially affect our financial position and results or business operations, or the investments by holders of securities in us.

Currently, our Group does not have any interest rate hedging policy or any foreign borrowings. We will monitor the interest rate movement and will take the necessary steps to minimise interest rate risk whenever deemed appropriate such as implementing a hedge policy. We will endeavor to manage our interest rate risk by maintaining a mix of fixed and floating rate borrowings where necessary. However, no assurance can be given that any future significant movement in interest rate will not have a material adverse impact on our business, operating results and financial position.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

12.6.4 Type of Financial Instruments Used

All our Group's purchases came from local market and our Group does not have any export sales. Therefore, our Group is not subject to fluctuating currency exchange risk. Our Group will endeavor to regularly monitor the possibility of foreign currency exposures in our Group's future activities and review the need to enter into any forward foreign exchange contract where necessary.

Our Group has not entered into any interest rates swap to hedge against the possibility of adverse fluctuations in the interest rates. Our Group will endeavor to manage our interest rate exposure by maintaining a mix of fixed and floating rate borrowings where necessary.

12.6.5 Treasury Policies and Objectives

We have been financing our operations through internally generated funds as well as external sources of funds. Our external sources of funds comprised mainly of bank borrowings. All funds sourced internally and externally are in RM. Details of our bank borrowings are provided in Section 12.6.3 of this Prospectus.

Our short-term and long-term bank borrowings comprise predominantly of term loans and hire purchases. The interest rates for term loans and hire purchases are based on the fixed rate agreed upon by our bankers when the respective term loans and hire purchases were granted.

Our Group does not hedge interest rate risks. Hedging of risks through the use of financial instruments may be adopted should it result in significant cost savings. It is the policy of our Group that the interest rates obtained must be competitive when any new financing is required. We would apply to a few financial institutions to obtain competitive quotes on interest rates.

Our Group's sales are all local transactions and denominated in RM, therefore we are not subjected to any fluctuation in foreign exchange for our sales. All our purchases are also sourced locally and transacted in RM. Hence, there is no impact of foreign exchange fluctuations on our historical profits for the past three (3) financial years up to the FYE 30 June 2014.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

12.6.6 Material Litigation / Arbitration, Contingent Liabilities and Material Commitments for Capital Expenditure

(i) Material Litigation / Arbitration

As at the LPD, we do not have any material litigation, claims or arbitration which, upon becoming enforceable, may have a material adverse effect on our results of operations or financial condition of our Group.

(ii) Contingent Liabilities

As at the LPD, we do not have any material contingent liabilities, which upon becoming enforceable may have a substantial impact on the financial position of our Group.

(iii) Material Commitments for Capital Expenditure

Save as disclosed below, as at LPD, we do not have any material capital commitments for capital expenditure, which upon becoming enforceable, may have a material effect on our financial position.

Approved, awarded or contracted for:

Commitments	RM'000
Approved and contracted for:	
A. KOMTAR Tower Revitalisation Project	
- Section A: Upgrading works at KOMTAR ^(a)	3,074
B. Food service outlets renovation works	2,500
Total	5,574
Approved but not contracted for:	
A. KOMTAR Tower Revitalisation Project	
- Section A: Upgrading works at KOMTAR ^(a)	39,700
- Section B: Business operation at KOMTAR upon completion of Section A	^(b)
Total	39,700

Notes:

(a) Total cost and expense shall not be less than RM60.00 million in value.

(b) Future cost and expenses can only be estimated upon completion of Section A.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

KOMTAR Tower Revitalisation Project

Further details on KOMTAR Tower Revitalisation Project are set out in Sections 3.8 and 6.21.2 of this Prospectus.

The above commitment will be partly financed by internally generated funds, bank borrowings and proceeds obtain from the Public Issue and is expected to be fully utilised within twenty four (24) months from the date of Listing.

Food service outlets renovation works

Further details on the food service outlets renovation works are set out in Section 16.6(x) of this Prospectus.

The above commitment will be financed by our internally generated funds. Our management expects that we should have the necessary funds available to fund the abovementioned commitment.

12.7 Key Financial Ratios

Our key financial ratios for the financial years under review are as follows:

Key financial ratios	-----<-----FYE 30 June----->-----		
	2012	2013	2014
Trade receivables turnover days ^(a)	1	1	1
Trade payables turnover days ^(b)	16	15	15
Inventory turnover days ^(c)	12	12	10
Current ratio (times) ^(d)	2.54	3.54	4.58
Gearing ratio (times) ^(e)	0.38	0.37	0.32

Notes:

- (a) Based on the closing balance of trade receivables of the respective financial years over revenue of the respective financial years.
- (b) Based on the closing balance of trade payables of the respective financial years over cost of sales of the respective financial years.
- (c) Based on the closing balance of inventory of the respective financial years over cost of sales of the respective financial years.
- (d) Based on the total current assets over total current liabilities of the respective financial years.
- (e) Based on the total interest bearing borrowings over the shareholders' equity of the respective financial years.

(i) Trade Receivables Turnover

The low trade receivables turnover period is mainly due to the conduct of our sales on cash basis save for the provision of rental spaces and functional events to our customers. Our trade receivables turnover days remained consistent throughout the financial years under review due mainly to our consistent and stringent credit control measures. Our Group's normal credit period granted to our customers for the provision of rental spaces and functional events is thirty (30) days.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

An ageing analysis of our trade receivables for the FYE 30 June 2014 is as follows:

	Total RM'000	0 – 30 days RM'000	31 – 60 days RM'000	> 60 days RM'000	Subsequent receipts RM'000
Food service operations	1	-	*	*	*
Amusement and recreation operations:					
- Water amusement parks	-	-	-	-	-
- Family attractions	-	-	-	-	-
Other services	182	33	100	49	182
Total	183	33	100	49	182

Note:

* Less than RM500

As at the LPD, a total of RM0.18 million, which represents 99.45% of the total outstanding trade receivables as at 30 June 2014 has been collected from the trade receivables.

Our Group's trade receivables turnover period is adequately managed and is consistent with our policy for credit control purposes. Our Directors are of the opinion that the remaining outstanding amounts are recoverable after taking into consideration our tight credit control procedures to limit the payment default of our customers.

(ii) Trade Payables Turnover

The trade payables turnover period indicates that our Group's repayment is within the credit term granted by our suppliers which ranges from thirty (30) to sixty (60) days. Our Group believes the timely settlement to our suppliers will benefit our Group for more favourable pricing from our suppliers such as bulk purchase discounts. As such, our trade payables turnover days has maintained as low as fifteen (15) days for the financial years under review.

An ageing analysis of our trade payables for the FYE 30 June 2014 is as follows:

	Total RM'000	0 – 30 days RM'000	31 – 60 days RM'000	> 60 days RM'000	Subsequent payments RM'000
Food service operations	2,052	1,058	882	112	2,049
Amusement and recreation operations:					
- Water amusement parks	31	-	11	20	31
- Family attractions	4	4	-	-	4
Other services	8	1	2	5	3
Total	2,095	1,063	895	137	2,087

As at the LPD, a total of RM2.09 million, which represents 99.62% of the total outstanding trade payables as at 30 June 2014 has been paid to the trade payables.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

All trade payables are current and within the repayment terms. There was no funding gap between the collection and payment cycle, evidenced by the shorter receivables turnover as compared to trade payables turnover. As at the LPD, we are not aware of any actions, legal or otherwise, that have been taken against us by trade suppliers for the recovery of debts due to them or due to any defaults in payment.

(iii) Inventory Turnover

Our inventories consist mainly of raw materials (i.e. rice, olive oil, sesame oil, sugar and salt) and fresh ingredients (i.e. poultry, seafood and vegetables). It is our Group's general practice to maintain a sustainable level of inventories to support our food production operations and prevent shortages of raw materials and fresh ingredients in our food production process. The inventory turnover days for raw materials and fresh ingredients have been fairly consistent throughout the financial years under review.

We emphasise on the supply of fresh ingredients, raw materials and the consumption of our food products within the shortest period of time to ensure freshness of the food and to avoid any possibility of food contamination. This is in line with our Group's quality control procedures to always place significant emphasis on product production quality.

(iv) Current Ratio

Our Group's current ratio has continued to strengthen over the financial years under review. As at 30 June 2013, our current ratio stood at 3.54 times, due mainly to the increase in cash and cash equivalents as a result of the one-off gain and proceeds received from the disposal of Ria Apartments in Genting Highlands, offset by the dividend payment and repayment of term loans.

Our current ratio as at 30 June 2014 increased further to 4.58 times due mainly to the decrease of other payables of approximately RM3.62 million as a result of the lower provision for bonus payments.

(v) Gearing Ratio

Our gearing ratio marginally decreased from 0.38 times to 0.37 times as at 30 June 2013 due primarily to the partial repayment of term loans which were previously utilised to finance the purchase of the Ria Apartments. As at 30 June 2014, our gearing ratio decreased further to 0.32 times due mainly to the increase in total shareholders' equity of approximately RM14.12 million.

The information on our Group's borrowings are set out in Section 12.6.3 of this Prospectus.

(vi) State of Order Book

The state of order book is not relevant to our food service outlets, amusement and recreation outlets, and other services operations where orders are placed and served almost immediately upon customer request. As for our centralised kitchen facility, the state of order book is also not relevant whereby we produce specified food items to meet the demand requirements on an on-going basis.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.8 Trend Information

As at the LPD, to the best of our Directors' knowledge and belief, our operations have not been and are not expected to be affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had, or that our Group reasonably expects to have, a material impact on our Group's financial performance, position and operations other than those discussed in this section and Sections 4, 5, 6 and 7 of this Prospectus;
- (ii) material commitments for capital expenditure, as set out in Section 12.6.6 of this Prospectus;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group save as disclosed in this section and in Section 4 of this Prospectus;
- (iv) known trends, demands, commitments, events or uncertainties that have resulted in a material impact on our Group's revenue and / or profits, save for those that had been disclosed in this section and Sections 4, 5, 6 and 7 of this Prospectus;
- (v) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's liquidity and capital resources, other than those discussed in this section and Sections 4, 5, 6 and 7 of this Prospectus; and
- (vi) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position other than those disclosed in this section and Sections 4, 5, 6 and 7 of this Prospectus.

Information on our Group's business and financial prospects, significant trends in sales, production, costs and selling prices is set out in this section and Sections 6 and 12 of this Prospectus. Discussion on the overview of the food service, amusement and recreation industries, their prospects and outlook are further elaborated in Section 7 of this Prospectus.

Based on the outlook of the food service, amusement and recreation industries as set out in Section 7 of this Prospectus, our Group's competitive advantages and key strengths, and our future plan and strategies for our Group as set out in Section 6 of this Prospectus, our Board is optimistic about the future prospects of our Group.

12.9 Dividend Forecast and Policy

Our Directors have considered the general principles that they currently intend to apply when recommending dividends for approval by our shareholders or when declaring any interim dividends. The actual dividend that our Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed fit and relevant by our Directors. We may, by ordinary resolution of the shareholders, declare dividends at a general meeting, but no dividend shall exceed the amount recommended by our Board.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

In considering the level of dividend payments, if any, upon recommendation by our Directors, we intend to take into account various factors including:

- (i) our expected results of operations;
- (ii) required and expected interest expense and taxation, cash flows, our profits and return on equity and retained earnings;
- (iii) our projected levels of capital expenditure and other investment plans;
- (iv) the prevailing interest rates and yields of the financial market; and
- (v) the level of our cash, marketable financial assets and level of indebtedness.

It will be the policy of our Directors in recommending dividends to allow shareholders to participate in the profits of our Group as well as maintaining adequate reserves for the future growth of our Group.

You should note that future dividends proposed and declared, may vary depending on the financial performance and cash flows of our Group and may be waived if the payment of the dividends would adversely affect the cash flows and operations of our Group.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

13. ACCOUNTANTS' REPORT



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

Kuala Lumpur Office
Level 16 Tower C, Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur, Malaysia
Main +6 03 2788 9999
Fax +6 03 2788 9998
www.crowehorwath.com.my
info@crowehorwath.com.my

20 October 2014

The Board of Directors
Only World Group Holdings Berhad
No.10, Jalan Pelukis U1/46,
Section U1, Temasya Industrial Park, Glenmarie,
40150 Shah Alam,
Selangor Darul Ehsan.

Dear Sirs,

**ONLY WORLD GROUP HOLDINGS BERHAD ("OWG" OR "THE COMPANY")
ACCOUNTANTS' REPORT**

1. PURPOSE OF REPORT

This report has been prepared by Messrs. Crowe Horwath, an approved company auditor and a firm of public accountants registered in Malaysia, for inclusion in the Prospectus of Only World Group Holdings Berhad in connection with the listing of OWG on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The details of the listing scheme are disclosed in Section 2 of this report.

2. DETAILS OF THE LISTING SCHEME

2.1 THE COMPANY

OWG was incorporated in Malaysia on 8 November 2012 under the Companies Act 1965 as a private company limited by shares under the name of Only World Group Holdings Sdn. Bhd. On 6 June 2013, OWG was converted to a public company limited by shares and assumed its present name of Only World Group Holdings Berhad. OWG is principally engaged in the businesses of investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Section 3.3 of this report.

2.2 THE LISTING SCHEME

OWG seeks a listing on the Main Market of Bursa Securities. The listing scheme comprises the following:-

13. ACCOUNTANTS' REPORT (Cont'd)



2. DETAILS OF THE LISTING SCHEME (CONT'D)

2.2 THE LISTING SCHEME (CONT'D)

2.2.1 ACQUISITIONS

The Acquisitions involves the acquisition by OWG of the equity interest of the Subsidiaries (which is defined below) from Dato' Koh Cheng Keong and Datin Chew Lean Hong (herein referred to as the "Promoters") for a total consideration of RM64,295,547 satisfied by the issuance of 128,591,094 new OWG ordinary shares of RM0.50 each ("Shares") in OWG. As a result of the Acquisitions, OWG has an indirect interest in Platinum Paradise via Platinum Attractions as Platinum Paradise is a wholly-owned subsidiary of Platinum Attractions.

The purchase considerations of the Subsidiaries are as follows:-

Subsidiary	Equity Interest	Purchase Consideration RM'000
1) Believe It Or Not Sdn Bhd ("Believe It Or Not")	100%	2,323
2) Dunia Setulin Sdn Bhd ("Dunia Setulin")	100%	1,991
3) K.C.K. Capital Sdn Bhd ("KCK")	100%	4,238
4) Kota Tinggi Resorts Sdn Bhd ("Kota Tinggi Resorts")	70%	2,852
5) Magnificent Empire Sdn Bhd ("Magnificent Empire")	100%	3,850
6) Mercu Jutaan Sdn Bhd ("Mercuri Jutaan")	100%	6,248
7) Only Mee Sdn Bhd ("Only Mee")	100%	1,048
8) Pedas Hot Spring & Food Resort Sdn Bhd ("Pedas Hot Spring")	98.75%	5,705
9) Platinum Attractions Sdn Bhd ("Platinum Attractions") and Platinum Paradise Sdn Bhd ("Platinum Paradise") ("Platinum Attractions Group")	100%	34,928
10) The Wet World Sdn Bhd ("The Wet World")	100%	1,113
		64,296

(collectively referred to as the "Subsidiaries")

The purchase consideration of RM64,295,547 was arrived at after taking into consideration the aggregate audited net assets position of the Subsidiaries as at 31 December 2012.

The Acquisitions was completed on 24 March 2014.

13. ACCOUNTANTS' REPORT (Cont'd)

**2. DETAILS OF THE LISTING SCHEME (CONT'D)****2.2 THE LISTING SCHEME (CONT'D)****2.2.2 PUBLIC ISSUE**

The Public Issue involves an issuance of 56,408,900 new Shares representing approximately 30.49% of the enlarged issued and paid-up share capital of OWG upon listing at an indicative issue price of RM0.88 per Share, to be allocated in the following manner:-

(i) Malaysian Public

9,250,000 Public Issue Shares, representing 5.00% of the enlarged issued and paid-up share capital of the OWG will be made available for application by the Malaysian Public to be allocated via balloting, of which 50.00% will be set aside for Bumiputera investors.

(ii) Eligible Directors, Employees and Other Persons who have Contributed to the Success of the Group

4,000,000 Public Issue Shares, representing approximately 2.16% of the enlarged issued and paid-up share capital of the OWG will be made available for application by eligible Directors, employees and other persons who have contributed to the success of the Group.

(iii) Bumiputera Institutional and Selected Investors to be Approved by Ministry of International Trade and Industry ("MITI")

18,500,000 Public Issue Shares, representing 10.00% of OWG's enlarged issued and paid-up share capital will be made available for application by way of private placement to Bumiputera investors to be approved by MITI.

(iv) Selected Investors by way of Private Placement

24,658,900 Public Issue Shares, representing approximately 13.33% of the enlarged issued and paid-up share capital of the OWG will be made available for application by way of private placement to selected investors.

13. ACCOUNTANTS' REPORT (Cont'd)



2. DETAILS OF THE LISTING SCHEME (CONT'D)

2.2 THE LISTING SCHEME (CONT'D)

2.2.3 SHARE TRANSFER

Upon completion of the Public Issue, the Promoters will hold an aggregate of 127,794,698 Shares.

During the prescription period, the Promoters will transfer 127,794,698 Shares to a private holding company, namely, Rich Dad, to be satisfied partly by the issuance of 99,900 ordinary shares of RM1.00 each in Rich Dad ("Rich Dad Shares") to be issued at par and the remaining balance of RM63,797,449 will remain as an amount owing from Rich Dad to the Promoters.

Further details of the Share Transfer are set out below:-

Shareholders	Before the Share Transfer		After the Share Transfer	
	No. of Shares held after the Public Issue	No. of Shares to be transferred	No. of Shares held after the Share Transfer	% of the enlarged share capital
Dato' Koh Cheng Keong	107,684,688	107,684,688	-	-
Datin Chew Lean Hong	20,110,010	20,110,010	-	-
Rich Dad	-	-	127,794,698	69.08
Total	127,794,698	127,794,698	127,794,698	69.08

13. ACCOUNTANTS' REPORT (Cont'd)



2. DETAILS OF THE LISTING SCHEME (CONT'D)

2.2 THE LISTING SCHEME (CONT'D)

2.2.3 SHARE TRANSFER (CONT'D)

The existing shareholders' shareholdings in Rich Dad and the indirect interest of the Promoters in OWG after the Share Transfer are as follows:-

Shareholders	Direct interest in Rich Dad		Indirect interest in OWG	
	No. of shares	%	No. of Shares	%
Dato' Koh Cheng Keong	80,000	80.00	127,794,698*	69.08
Datin Chew Lean Hong	19,998	20.00	127,794,698*	69.08
Khoong Wai Yee	1	#	- [^]	-
Tan Thian Chai	1	#	- [^]	-
Total	100,000	100.00	N/A	N/A

Notes:

* Deemed interested by virtue of his/her direct interest in Rich Dad pursuant to Section 6A of the Companies Act 1965.

Negligible.

[^] Pursuant to the Share Transfer, Khoong Wai Yee and Tan Thian Chai are not deemed to have an interest in OWG as their shareholding in Rich Dad will be less than 15.00%, pursuant to Section 6A of the Companies Act 1965.

N/A Not applicable.

2.2.4 LISTING AND QUOTATION

Upon completion of the Public Issue and Share Transfer, OWG will seek the listing of and quotation for its entire issued and paid-up share capital of RM92,500,000 comprising 185,000,000 Shares on the Main Market of Bursa Securities.

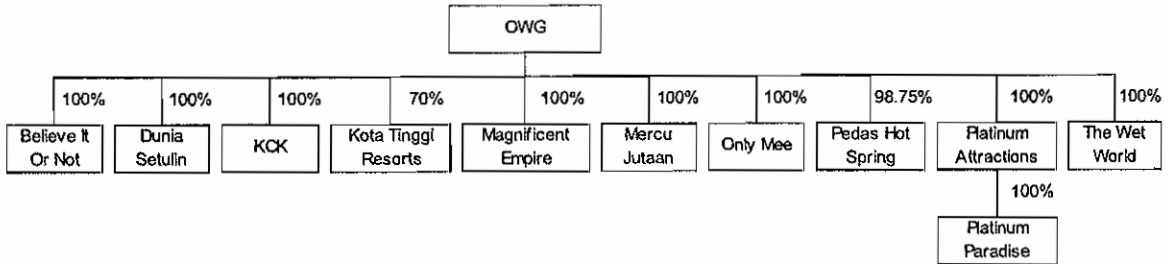
13. ACCOUNTANTS' REPORT (Cont'd)



3. GENERAL INFORMATION

3.1 GROUP STRUCTURE

As at the date of this report, the pro forma structure of the Group is as follows:-



Notes:

- Believe It Or Not* : *Believe It Or Not Sdn Bhd*
- Dunia Setulin* : *Dunia Setulin Sdn Bhd*
- KCK* : *K.C.K. Capital Sdn Bhd*
- Kota Tinggi Resorts* : *Kota Tinggi Resorts Sdn Bhd*
- Magnificent Empire* : *Magnificent Empire Sdn Bhd*
- Mercu Jutaan* : *Mercu Jutaan Sdn Bhd*
- Only Mee* : *Only Mee Sdn Bhd*
- Pedas Hot Spring* : *Pedas Hot Spring & Food Resort Sdn Bhd*
- Platinum Attractions* : *Platinum Attractions Sdn Bhd*
- Platinum Paradise* : *Platinum Paradise Sdn Bhd*
- The Wet World* : *The Wet World Sdn Bhd*

13. ACCOUNTANTS' REPORT (Cont'd)



3. GENERAL INFORMATION (CONT'D)

3.1 GROUP STRUCTURE (CONT'D)

OWG is an investment holding company to facilitate the listing exercise. Details of the Subsidiaries are as follows:-

Name of Company	Issued and Paid-Up Share Capital	Effective Equity Interest	Date and Place of Incorporation	Principal Activities
Believe It Or Not	RM62,503	100%	5 August 2002, Malaysia	Principally engaged in businesses as an operator of family attractions and a provider of other services.
Dunia Setulin	RM450,000	100%	19 March 1998, Malaysia	Principally engaged in business as an operator of food service outlets.
KCK	RM100,000	100%	30 March 2001, Malaysia	Principally engaged in business as an operator of a main central kitchen.
Kota Tinggi Resorts	RM2,000,000	70%	18 May 1990, Malaysia	Principally engaged in businesses as an operator of a resort and a food service outlet.
Magnificent Empire	RM200,000	100%	7 January 2002, Malaysia	Principally engaged in businesses as an operator of food service outlets and a provider of other services.
Mercu Jutaan	RM500,000	100%	8 March 1993, Malaysia	Principally engaged in businesses as an operator of a water amusement park and a food service outlet.
Only Mee	RM2	100%	11 August 2004, Malaysia	Principally engaged in business as an operator of food service outlets.
Pedas Hot Spring	RM4,000,000	98.75%	18 July 1994, Malaysia	Principally engaged in businesses as an operator of a water amusement park and a food service outlet.
Platinum Attractions	RM1,000,000	100%	21 July 1990, Malaysia	Principally engaged in businesses as an operator of a water amusement park and food service outlets.
Platinum Paradise	RM1,000,000	100%	25 February 2002, Malaysia	Principally engaged in businesses as an operator of food service outlets and a provider of other services.
The Wet World	RM500,002	100%	14 August 1984, Malaysia	Principally engaged in businesses as a brand owner and merchandiser.

13. ACCOUNTANTS' REPORT (Cont'd)



4. RELEVANT FINANCIAL PERIOD AND AUDITORS

The financial year end of all the companies is at 30 June except for Dunia Setulin and Mercu Jutaan which is at 31 December. Dunia Setulin and Mercu Jutaan had changed their financial year end to 30 June in the beginning of the financial period from 1 January 2011 to 30 June 2012 in order to conterminous with the OWG's financial year end.

The relevant financial periods of the audited financial statements provided in this report ("Relevant Financial Period") and the auditors of the respective companies for the Relevant Financial Period are as follows:-

Companies	Relevant Financial Periods	Auditors	Auditors' Report
OWG	Financial period from 8 November 2012 to 30 June 2013 ("FPE 30 June 2013")	Messrs. Crowe Horwath	Appendix I
	Financial year ended ("FYE") 30 June 2014 ("FYE 30.6.2014")	Messrs. Crowe Horwath	
Believe It Or Not	FYE 30 June 2012 to FYE 30.6.2014 ("FYE 30.6.2012 to FYE 30.6.2014")	Messrs. Crowe Horwath	Appendix II
Dunia Setulin	Financial period from 1 January 2011 to 30 June 2012 ("FPE 30.6.2012")	Messrs. Crowe Horwath	Appendix III
	FYE 30 June 2013 ("FYE 30.6.2013")	Messrs. Crowe Horwath	
	FYE 30.6.2014	Messrs. Crowe Horwath	
KCK Capital	FYE 30.6.2012 to FYE 30.6.2014	Messrs. Crowe Horwath	Appendix IV
Kota Tinggi Resorts	FYE 30.6.2012 to FYE 30.6.2014	Messrs. Crowe Horwath	Appendix V
Magnificent Empire	FYE 30.6.2012 to FYE 30.6.2014	Messrs. Crowe Horwath	Appendix VI
Mercu Jutaan	FPE 30.6.2012	Messrs. Crowe Horwath	Appendix VII
	FYE 30.6.2013	Messrs. Crowe Horwath	
	FYE 30.6.2014	Messrs. Crowe Horwath	

13. ACCOUNTANTS' REPORT (Cont'd)



4. RELEVANT FINANCIAL PERIOD AND AUDITORS (CONT'D)

The relevant financial periods of the audited financial statements provided in this report ("Relevant Financial Period") and the auditors of the respective companies for the Relevant Financial Period are as follows (Cont'd):-

Companies	Relevant Financial Periods	Auditors	Auditors' Report
Only Mee	FYE 30.6.2012 to FYE 30.6.2014	Messrs. Crowe Horwath	Appendix VIII
Pedas Hot Spring	FYE 30.6.2012 to FYE 30.6.2014	Messrs. Crowe Horwath	Appendix IX
Platinum Attractions	FYE 30.6.2012 to FYE 30.6.2014	Messrs. Crowe Horwath	Appendix X
Platinum Paradise	FYE 30.6.2012 to FYE 30.6.2014	Messrs. Crowe Horwath	Appendix XI
The Wet World	FYE 30.6.2012 to FYE 30.6.2014	Messrs. Crowe Horwath	Appendix XII

The auditors' reports on the respective financial statements included in this report were not subject to any qualification or emphasis of matter.

There were no exceptional items in all the financial years/periods under review.

13. ACCOUNTANTS' REPORT (Cont'd)



4. RELEVANT FINANCIAL PERIOD AND AUDITORS (CONT'D)

4.1 DIVIDENDS

No dividend has been paid or declared by OWG since the date of its incorporation. The dividends paid or declared by the Subsidiaries of OWG for the years under review were as follows:-

Financial Year/ Period Ended	Type of Dividend	Tax Rate	Dividend Rate RM/Share	Dividend RM
<u>Believe It Or Not</u> FYE 30 June 2012	i) First single tier interim dividend	-	16.00	1,000,000
	ii) Second single tier interim dividend	-	32.00	2,000,000
FYE 30 June 2013	i) First single tier interim dividend	-	16.71	1,044,823
	ii) Second single tier interim dividend	-	32.00	2,000,000
<u>Dunia Setulin</u> FPE 30 June 2012	i) Single tier interim dividend	-	3.33	1,500,000
	FYE 30 June 2013			
FYE 30 June 2013	i) First single tier interim dividend	-	2.22	1,000,000
	ii) Second single tier interim	-	0.67	300,000
<u>Magnificent Empire</u> FYE 30 June 2013	i) Single tier interim dividend	-	15.00	3,000,000
<u>Platinum Attractions</u> FYE 30 June 2013	i) First interim dividend	25%	0.80	598,000
	ii) Second single tier interim dividend	-	5.94	5,935,156
<u>Platinum Paradise</u> FYE 30 June 2012	i) Interim dividend	25%	2.44	1,832,604
	FYE 30 June 2013			
FYE 30 June 2013	i) Interim dividend	25%	8.71	6,533,287

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES

5.1 BASIS OF PREPARATION

The financial statements of the Company and its subsidiaries have been consolidated using the merger method of accounting as disclosed in Note 5.2(b) in this report. Accordingly, the results of the Group incorporated the results of the Company and its subsidiaries from 1 July 2013 to 30 June 2014.

The financial statements of the Group for the financial year ended 30 June 2013 are prepared on the assumption that the Group had been in existence since 1 July 2012.

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Accounting Standards ("IFRSs") and the requirements of the Companies Act 1965 in Malaysia.

- (a) During the FYE 30.6.2014, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

MFRSs and IC Interpretations (Including The Consequential Amendments)

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 (2011) Employee Benefits

MFRS 127 (2011) Separate Financial Statements

MFRS 128 (2011) Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements to MFRSs 2009 – 2011 Cycle

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements except MFRS 12.

MFRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. MFRS 12 is a disclosure standard and requires extensive disclosures of which the additional disclosures are disclosed in Note 5 in this report.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.1 BASIS OF PREPARATION (CONT'D)

- (b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 (2009) Financial Instruments)
MFRS 9 (2010) Financial Instruments) To be
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)) announced) by MASB
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures))
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities	1 January 2014
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.1 BASIS OF PREPARATION (CONT'D)

- (b) The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-
- (i) MFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Subsequently, this MFRS 9 was amended in year 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition (known as MFRS 9 (2010)). Generally, MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. The adoption of this standard is expected to have no material impact on the financial statements of the Group upon its initial application.
 - (ii) The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. These amendments are expected to have no material impacts on financial statements of the Group upon its initial application.
 - (iii) Annual Improvements to MFRSs 2010 – 2012 Cycle. These amendments are expected to have no material impacts on the financial statements of the Group upon its initial application except for the amendments to MFRS 116 which will only affect the amount of accumulated depreciation of future revaluations.
 - (iv) Annual Improvements to MFRSs 2011 – 2013 Cycle. These amendments are expected to have no material impacts on the financial statements of the Group upon its initial application.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.2 SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) *Depreciation of Property, Plant and Equipment*

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) *Income Taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(iii) *Impairment of Non-financial Assets*

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates and Judgements (Cont'd)

(iv) *Write-down of Inventories*

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(v) *Classification between Investment Properties and Owner-Occupied Properties*

The Group determines whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(vi) *Impairment of Trade and Other Receivables*

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

13. ACCOUNTANTS' REPORT *(Cont'd)*

5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates and Judgements (Cont'd)

(vii) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Notwithstanding the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments did not approximate to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has not acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(viii) Revaluation of Properties

Certain properties of the Group are reported at valuation which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

(ix) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

The acquisitions resulted in a business combination involving common control entities is outside the scope of MFRS 3. The merger accounting is used by the Group to account for such common control business combinations.

(i) *Business Combinations**Merger accounting for common control business combinations*

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

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

(i) *Business Combinations (Cont'd)*Acquisition method of accounting for non-common control business combination

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(ii) *Non-Controlling Interests*

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

(iii) *Changes In Ownership Interests In Subsidiaries Without Change of Control*

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(iv) *Loss of Control*

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(c) **Functional and Presentation Currency**

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) *Financial Assets*

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

13. ACCOUNTANTS' REPORT (Cont'd)

**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(d) Financial Instruments (Cont'd)****(i) Financial Assets (Cont'd)**

- *Held-to-maturity Investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

- *Loans and Receivables Financial Assets*

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

- Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(ii) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (Cont'd)

(iii) *Equity Instruments*

Instruments classified as equity are measured at cost and are not remeasured subsequently.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(iv) *Derecognition*

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

(f) Property, Plant and Equipment

Property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is stated at revalued amount less impairment losses recognised after the date of the revaluation, if any. Freehold land is not depreciated. Buildings are stated at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation. Addition of freehold land is stated at cost less impairment losses, if any, in the intervening years. Additions of buildings are stated at cost less accumulated depreciation and impairment losses, if any, in the intervening years.

Freehold land and buildings are revalued periodically, at least once in every 5 years. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Animal and exhibition gallery	10%
Buildings, roads and infrastructure	2% to 20%
Computers	20% to 33.33%
Electrical installation, renovation, signage and menus	10% to 33%
Fire fighting and protection system	10%
Food and beverage equipment and fittings	10% to 20%
Kitchen furniture, fixtures, utensils, crockery, tools and equipment	10% to 20%
Landscaping, kiosk, toilet and signboard	10% to 20%
Machinery	20%
Motor vehicles	10% to 20%
Office equipment, furniture and fittings	8% to 33%
Operating equipment	10% to 20%
Tube, amusement, water park and auxiliary amusement equipment	5% to 20%

13. ACCOUNTANTS' REPORT (Cont'd)

**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(f) Property, Plant and Equipment (Cont'd)**

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the acquisition of the assets to the date that the assets are completed and put into use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset. In addition, the Group also makes an annual transfer of the revaluation reserve to retained profits as the asset is used. In such a case, the amount of the revaluation reserve transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

(g) Prepaid Land Lease Payments

Leases of land under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases. Lease prepayment for land use rights is stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised in profit or loss on a straight-line basis over the lease term.

13. ACCOUNTANTS' REPORT (Cont'd)

**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(h) Investment Properties**

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any, consistent with the accounting policy for property, plant and equipment as stated in Section 5.2(f) of this report.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Upon the disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss; any amount in revaluation reserve relating to that investment property is transferred to retained earnings.

(i) Impairment**(i) Impairment of Financial Assets**

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

13. ACCOUNTANTS' REPORT *(Cont'd)*

5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment (Cont'd)

(ii) *Impairment of Non-Financial Assets*

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

(j) **Assets Under Hire Purchase**

Assets acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Section 5.2(f) of this report. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

(k) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(I) Income Taxes

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are charged to the profit or loss as expenses in the period in which they are incurred.

(n) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

(o) Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

(p) Employee Benefits**(i) Short-term Benefits**

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Related Parties

A party is related to an entity (referred to as the "reporting entity") if:-

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:-
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
 - (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

13. ACCOUNTANTS' REPORT (Cont'd)



Crowe Horwath™

5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Revenue and Other Income

(i) Entrance Fees

Entrance fees are recognised as revenue upon sale of tickets.

(ii) Sales of Food and Beverages

Revenue is recognised upon delivery of food and beverages and customers' acceptance inclusive of service charges and where applicable, net of returns and trade discounts.

(iii) Sale of Goods

Revenue are recognised upon delivery of goods and customers' acceptance and where applicable, net of return and trade discounts.

(iv) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(v) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(vi) Rental Income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreements unless collectability is in doubt.

(vii) Interest Income

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

(viii) Management fees

Management fees are recognised as income as and when the services are rendered.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Non-Current Assets Held For Sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Upon classification as held for sale, non-current assets or components of a disposal group are not depreciated and are measured at the lower of their carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.

(t) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

5.3 CONSISTENCY OF APPLICATION OF ACCOUNTING POLICIES

This report is prepared on the basis consistent with the accounting policies adopted by the Group as disclosed in Sections 5.1 and 5.2 above. There were no significant changes in the accounting policies adopted by the Group during the Relevant Financial Period other than the adoption of all the new and revised MFRSs issued by the MASB which are relevant to the Group's operation.

13. ACCOUNTANTS' REPORT *(Cont'd)*



6. AUDITED FINANCIAL STATEMENTS

The Group only existed on 24 March 2014 upon completion of the Acquisition by OWG of the Subsidiaries.

The financial statements of the Company and its subsidiaries have been consolidated using the merger method of accounting as disclosed in Note 5.2(b) in this report. Accordingly, the results of the Group incorporated the results of the Company and its subsidiaries from 1 July 2013 to 30 June 2014. The financial statements of the Group for the FYE 30.6.2013 are prepared on the assumption that the Group had been in existence since 1 July 2012.

The summarised financial information of the individual companies in the Group are shown in Sections 6.1 to 6.12 below and based on the individual audited financial statements, modified as appropriate, for the purpose of this report.

The scope of work involved in the preparation of this report does not constitute an audit in accordance with approved standards on auditing in Malaysia.

All information are extracted from the audited financial statements except for those in *italics* which are prepared based on the calculation, representation and/or explanation provided by the management and those as otherwise indicated.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG

6.1.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTE	THE COMPANY		THE GROUP	
		FPE 30.6.2013 RM'000	FYE 30.6.2014 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Revenue	6.1.5	-	180	88,873	83,084
Cost of sales		-	-	(48,072)	(49,550)
Gross profit ("GP")		-	180	40,801	33,534
Other income		-	-	4,182	1,102
		-	180	44,983	34,636
Selling and distribution expenses		-	-	(594)	(455)
Administrative expenses		(7)	(180)	(15,207)	(11,714)
Other expenses		-	-	(1,166)	(1,155)
Finance costs		-	-	(1,060)	(1,251)
(Loss)/Profit before taxation ("LBT")/("PBT")	6.1.6	(7)	#	26,956	20,061
Income tax expense	6.1.7	-	-	(6,843)	(5,515)
(Loss)/Profit after taxation ("LAT")/("PAT")		(7)	#	20,113	14,546
Other comprehensive income:- <u>Items that will not be reclassified subsequently to profit or loss</u>					
- Remeasurement of deferred tax on revalued property arising from change in Real Property Gain Tax rates		-	-	-	(376)
Total comprehensive (expense)/income for the financial period/year		(7)	#	20,113	14,170
(LAT)/PAT attributable to:-					
Owners of the Company		(7)	#	20,091	14,493
Non-controlling interests		-	-	22	53
		(7)	#	20,113	14,546

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	THE COMPANY		THE GROUP	
	FPE 30.6.2013 RM'000	FYE 30.6.2014 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Total comprehensive (expense)/ income attributable to:-				
Owners of the Company	(7)	#	20,091	14,117
Non-controlling interests	-	-	22	53
	(7)	#	20,113	14,170
(LAT)/PAT	(7)	#	20,113	14,546
Income tax expense	-	-	6,843	5,515
(LBT)/PBT	(7)	#	26,956	20,061
Amortisation	-	-	1	-
Depreciation	-	-	5,018	4,832
Interest expense	-	-	1,060	1,251
Interest income	-	-	(697)	(577)
(Loss)/Earnings before interest, taxation, depreciation and amortisation	(7)	#	32,338	25,567
GP margin (%)	-	100.00	45.91	40.36
PBT margin (%)	-	0.25	30.33	24.15
PAT margin (%)	-	0.25	22.63	17.51
Effective tax rate (%)	-	-	25.39	27.49
Weighted average number of ordinary shares	5	34,878,138	128,591,100	128,591,100
Gross (loss)/earnings per share ("LPS")/("EPS") (RM)*	(1,400.00)	-	0.21	0.16
Net (LPS)/EPS (RM)*	(1,400.00)	-	0.16	0.11

Notes:-

- Less than RM500.

* - The Gross (LPS)/EPS and Net (LPS)/EPS were computed by dividing the (LBT)/PBT and (LAT)/PAT by the number of ordinary shares in issue during the Relevant Financial Period.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.2 STATEMENTS OF FINANCIAL POSITION

	NOTE	THE COMPANY		THE GROUP	
		FPE 30.6.2013 RM'000	FYE 30.6.2014 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6.1.8	-	64,296	-	-
Property, plant and equipment	6.1.9	-	-	63,541	77,286
Prepaid land lease payments	6.1.10	-	-	52	52
Deferred tax asset	6.1.11	-	-	243	159
		-	64,296	63,836	77,497
CURRENT ASSETS					
Inventories	6.1.12	-	-	1,532	1,318
Trade receivables	6.1.13	-	-	292	183
Other receivables, deposits and prepayments	6.1.14	-	-	10,749	14,212
Amount owing by a subsidiary	6.1.15	-	180	-	-
Tax refundable		-	-	981	1,222
Deposits with licensed banks	6.1.16	-	-	27,471	11,081
Cash and bank balances		***	***	5,131	16,829
		***	180	46,156	44,845
TOTAL ASSETS		***	64,476	109,992	122,342

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.2 STATEMENTS OF FINANCIAL POSITION (CONT'D)

	NOTE	THE COMPANY		THE GROUP	
		FPE 30.6.2013 RM'000	FYE 30.6.2014 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	6.1.17	***	64,296	64,296	64,296
Merger deficit	6.1.18	-	-	(56,777)	(56,777)
Revaluation reserve	6.1.19	-	-	9,914	9,539
Capital reserve	6.1.20	-	-	1,200	1,200
(Accumulated losses)/ Retained profits		(7)	(6)	50,359	64,852
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		(7)	64,290	68,992	83,110
NON-CONTROLLING INTERESTS		-	-	1,294	1,347
TOTAL EQUITY		(7)	64,290	70,286	84,457
NON-CURRENT LIABILITIES					
Long-term borrowings	6.1.21	-	-	24,170	25,083
Deferred tax liabilities	6.1.11	-	-	1,784	2,506
Provision	6.1.24	-	-	700	510
		-	-	26,654	28,099
CURRENT LIABILITIES					
Trade payables	6.1.25	-	-	2,008	2,095
Other payables, deposits received and accruals	6.1.26	4	178	9,233	5,611
Amount owing to a subsidiary	6.1.15	-	8	-	-
Amount owing to a related party	6.1.27	2	-	2	-
Short-term borrowings	6.1.28	-	-	1,349	1,690
Provision for taxation		-	-	460	390
		6	186	13,052	9,786
TOTAL LIABILITIES		6	186	39,706	37,885
TOTAL EQUITY AND LIABILITIES		***	64,476	109,992	122,342

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.2 STATEMENTS OF FINANCIAL POSITION (CONT'D)

	THE COMPANY		THE GROUP	
	FPE 30.6.2013	FYE 30.6.2014	FYE 30.6.2013	FYE 30.6.2014
Weighted average number of ordinary shares	5	34,878,138	128,591,100	128,591,100
(Net Liabilities)/Net Assets ("NL")/("NA") (RM'000)	(7)	64,290	68,992	83,110
(NL)/NA per ordinary share (RM)	(1,400.00)	1.84	0.54	0.65
Trade receivables turnover period (days)	-	-	1.20	0.80
Trade payables turnover period (days)	-	-	15.25	15.43
Gearing ratio (times)	-	-	0.37	0.32

Note:-

*** - RM3

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.3 STATEMENTS OF CASH FLOWS

	NOTE	THE COMPANY		THE GROUP	
		FPE 30.6.2013 RM'000	FYE 30.6.2014 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES (LBT)/PAT		(7)	#	26,956	20,061
Adjustments for:-					
Allowance for impairment losses on receivables		-	-	22	48
Amortisation of prepaid land lease payments		-	-	1	-
Bad debt written off		-	-	23	31
Depreciation of property, plant and equipment		-	-	5,018	4,832
Equipment written off		-	-	66	129
Interest expense		-	-	1,062	1,251
Loss on disposal of property, plant and equipment		-	-	35	445
Gain on disposal of non-current assets classified as held for sale		-	-	(3,141)	-
Interest income		-	-	(697)	(577)
Reversal of provision for restoration costs		-	-	-	(190)
Writeback of allowance for impairment losses on trade receivables		-	-	-	(1)
Operating (loss)/profit before working capital changes (Increase)/Decrease in inventories		(7)	#	29,345	26,029
Increase in trade and other receivables		-	-	(2,290)	(3,437)
Increase/(Decrease) in other payables and accruals		5	174	1,391	(3,530)
Increase in amount owing by a subsidiary		-	(180)	-	-
Decrease in amount owing by related parties		-	-	7	-
CASH (FOR)/FROM OPERATIONS CARRIED FORWARD		(2)	(6)	28,341	19,276

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.3 STATEMENTS OF CASH FLOWS (CONT'D)

	NOTE	THE COMPANY		THE GROUP	
		FPE 30.6.2013 RM'000	FYE 30.6.2014 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
CASH (FOR)/FROM OPERATIONS CARRIED FORWARD		(2)	(6)	28,341	19,276
Income tax paid		-	-	(7,584)	(6,303)
Income tax refunded		-	-	-	908
Interest paid		-	-	(1,062)	(1,251)
Interest received		-	-	68	47
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(2)	(6)	19,763	12,677
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Additional investment in a subsidiary		-	-	(1)	-
Interest received		-	-	629	530
Purchase of property, plant and equipment	6.1.29	-	-	(5,969)	(19,202)
Proceeds from disposal of property, plant and equipment		-	-	7	506
Proceeds from disposal of non-current assets classified as held for sale		-	-	10,996	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES		-	-	5,662	(18,166)

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.3 STATEMENTS OF CASH FLOWS (CONT'D)

	NOTE	THE COMPANY		THE GROUP	
		FPE 30.6.2013 RM'000	FYE 30.6.2014 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
CASH FLOWS FROM/(FOR)					
FINANCING ACTIVITIES					
Advances from a subsidiary		-	8	-	-
Dividends paid		-	-	(14,183)	-
Drawdown of term loans		-	-	7,430	2,060
Proceeds from shares issued		***	-	***	-
Repayment of hire purchase obligations		-	-	(37)	(18)
Repayment of term loans		-	-	(5,481)	(1,243)
Advances from/(Repayment to) a related party		2	(2)	2	(2)
NET CASH FROM/(FOR) FINANCING ACTIVITIES		2	6	(12,269)	797
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS					
		***	-	13,156	(4,692)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR					
		-	***	19,446	32,602
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR					
	6.1.30	***	***	32,602	27,910

Note:-

*** - RM3

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.4 STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL RM'000	ACCUMULATED LOSSES RM'000	TOTAL RM'000
The Company			
At 8.11.2012 (date of incorporation)	**	-	**
Issuance of shares	*	-	*
Loss for the financial period/Total comprehensive expenses for the financial period	-	(7)	(7)
Balance at 30.6.2013/1.7.2013	***	(7)	(7)
Issuance of shares	64,296	-	64,296
PAT/Total comprehensive income for the financial year	-	#	#
Balance at 30.6.2014	64,296	(6)	64,290

Notes:-

- Less than RM500.

* - RM1

** - RM2

*** - RM3

13. ACCOUNTANTS' REPORT (Cont'd)



Crowe Horwath™

6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.4 STATEMENT OF CHANGES IN EQUITY

	← NON-DISTRIBUTABLE →				→ DISTRIBUTABLE			TOTAL EQUITY RM'000
	SHARE CAPITAL RM'000	MERGER DEFICIT RM'000	REVALUATION RESERVE RM'000	CAPITAL RESERVE RM'000	RETAINED PROFITS RM'000	ATTRIBUTABLE TO OWNERS OF THE GROUP RM'000	NON- CONTROLLING INTERESTS RM'000	
The Group								
At 1.7.2012	64,296	(56,777)	9,914	1,200	44,451	63,084	1,272	64,356
PAT/Total comprehensive income for the financial year	-	-	-	-	20,091	20,091	22	20,113
Transaction with owners: - Dividend paid ^	-	-	-	-	(14,183)	(14,183)	-	(14,183)
Balance at 30.6.2013/1.7.2013	64,296	(56,777)	9,914	1,200	50,359	68,992	1,294	70,286
PAT for the financial year	-	-	-	-	14,493	14,493	53	14,546
Other comprehensive income for the financial year	-	-	-	-	-	-	-	-
- Remeasurement of deferred tax on revalued property arising from change in Real Property Gain Tax rates	-	-	(375)	-	-	(375)	-	(375)
Total comprehensive (expense)/ income for the financial year	-	-	(375)	-	14,493	14,118	53	14,171
Balance at 30.6.2014	64,296	(56,777)	9,539	1,200	64,852	83,110	1,347	84,457

Note:-

^ - Dividend paid by subsidiaries of the Group to the shareholders prior to the Completion of Acquisition as disclosed in Note 2.2.1 in this report.

Crowe Horwath Offices in Malaysia:

Kuala Lumpur • Klang • Penang • Johor Bharu • Melaka • Muar • Kuching • Sibul • Bintulu • Miri • Kota Kinabalu • Labuan

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.5 REVENUE

	THE COMPANY		THE GROUP	
	FPE	FYE	FYE	FYE
	30.6.2013	30.6.2014	30.6.2013	30.6.2014
	RM'000	RM'000	RM'000	RM'000
Entrance fee	-	-	11,758	9,878
Management fee	-	180	-	-
Rendering of services	-	-	7,966	12,941
Rental income	-	-	1,215	766
Sales of goods	-	-	67,934	59,499
	-	180	88,873	83,084

6.1.6 (LBT)/PBT

	THE COMPANY		THE GROUP	
	FPE	FYE	FYE	FYE
	30.6.2013	30.6.2014	30.6.2013	30.6.2014
	RM'000	RM'000	RM'000	RM'000
(LBT)/PBT is arrived at after charging/(crediting):-				
Allowance for impairment losses on receivables	-	-	22	48
Amortisation of prepaid land lease payments	-	-	1	-
Audit fee:				
- for the financial period/year	4	4	202	202
- underprovision in the previous financial period/year	-	2	46	7
- others	-	-	13	3
Bad debts written off	-	-	23	31
Depreciation of property, plant and equipment	-	-	5,018	4,832
Directors' fee	-	170	27	190
Directors' non-fee emoluments:				
- salaries, bonuses and allowances	-	-	1,266	924
- overprovision of bonus in the previous financial year	-	-	-	(300)
- defined contribution plan	-	-	122	114
Equipment written off	-	-	66	129

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.6 (LBT)/PBT (CONT'D)

	THE COMPANY		THE GROUP	
	FPE 30.6.2013 RM'000	FYE 30.6.2014 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
(LBT)/PBT is arrived at after charging/(crediting):-				
Interest expense:				
- hire purchase	-	-	7	3
- term loans	-	-	1,053	1,247
- others	-	-	-	1
Loss on disposal of property, plant and equipment	-	-	35	445
Rental of equipment	-	-	182	176
Rental of premises	-	-	12,263	12,456
Staff costs:				
- salaries, wages, bonuses and allowances	-	-	14,220	12,259
- defined contribution plan	-	-	857	819
- other benefits	-	-	2,556	2,323
Gain on disposal of non-current assets classified as held for sale	-	-	(3,141)	-
Interest income	-	-	(697)	(577)
Rental income	-	-	(770)	(11)
Writeback of allowance for impairment losses on trade receivables	-	-	-	(1)
Reversal of provision for restoration costs	-	-	-	(190)

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.7 INCOME TAX EXPENSE

	THE COMPANY		THE GROUP	
	FPE 30.6.2013 RM'000	FYE 30.6.2014 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Current tax expense:				
- for the financial period/year	-	-	6,868	5,243
- under/(over)provision in the previous financial period/year	-	-	418	(158)
	-	-	7,286	5,085
Deferred tax expense (Note 6.1.11):				
- relating to origination and reversal of temporary differences	-	-	(167)	441
- overprovision in the previous financial period/year	-	-	(276)	(11)
	-	-	(443)	430
	-	-	6,843	5,515

During the Relevant Financial Period, the statutory tax rate is 25%.

The corporate tax rate on the first RM500,000 of chargeable income is 20%. The tax rate applicable to the balance of the chargeable income is 25%.

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment of 2016.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.7 INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the (LBT)/PBT at the statutory tax rate to income tax expense at the effective tax rate of OWG is as follows:-

	THE COMPANY		THE GROUP	
	FPE 30.6.2013 RM'000	FYE 30.6.2014 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
(LBT)/PBT	(7)	#	26,956	20,061
Tax at the statutory tax rate of 25%	(2)	#	6,739	5,015
Tax effects of:				
Non-deductible expenses	2	#	1,036	1,095
Non-taxable gain	-	-	(788)	(4)
Utilisation of deferred tax assets previously not recognised	-	-	(87)	(153)
Utilisation of investment tax allowances	-	-	(65)	(82)
Under/(Over)provision in the previous financial period/year:				
- current tax	-	-	418	(158)
- deferred tax	-	-	(276)	(11)
Differential in tax rates	-	-	(134)	(187)
Income tax expense for the financial period/year	-	-	6,843	5,515

Note:-

- Less than RM500.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.8 INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	FPE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Unquoted shares, at cost:-		
At 8 November 2012*/1 July 2013	-	-
Addition during the financial period/year	-	64,296
At 30 June	-	64,296

Note:-

* - Date of incorporation.

Details of the subsidiaries, which are all incorporated in Malaysia, are as follows:-

Name of Company	Effective equity interest		Principal Activities
	FPE 30.6.2013 %	FYE 30.6.2014 %	
Believe It Or Not	-	100	Operation of family attractions and provision of other services.
Dunia Setulin	-	100	Operation of food service outlets.
KCK	-	100	Operation of a main central kitchen.
Kota Tinggi Resorts	-	70	Operation of a resort and a food service outlet.
Magnificent Empire	-	100	Operation of food service outlets and provision of other services.
Mercu Jutaan	-	100	Operation of a water amusement park and a food service outlet.
Only Mee	-	100	Operation of food service outlets.
Pedas Hot Spring	-	98.75	Operation of a water amusement park and a food service outlet.
Platinum Attractions	-	100	Operation of a water amusement park and food service outlets.
Platinum Paradise #	-	100	Operation of food service outlets and provision of other services.
The Wet World	-	100	Brand owner and merchandiser.

Note:-

- Equity interest held by Platinum Attractions.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.8 INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of non-controlling interest ("NCI") at the end of the reporting period comprise the following:-

	THE GROUP			
	PROFIT ALLOCATED TO NCI		ACCUMULATED NCI	
	FYE	FYE	FYE	FYE
	30.6.2013	30.6.2014	30.6.2013	30.6.2014
	RM'000	RM'000	RM'000	RM'000
Pedas Hot Spring	2	1	70	71
Kota Tinggi Resorts	20	52	1,224	1,276
	22	53	1,294	1,347

The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests to the Group is as follows:-

	PEDAS HOT SPRING	
	FYE	FYE
	30.6.2013	30.6.2014
	RM'000	RM'000
<u>At 30 June</u>		
Non-current assets	4,735	4,168
Current assets	1,080	1,627
Current liabilities	(176)	(106)
Net assets	5,639	5,689
<u>Financial year ended 30 June</u>		
Revenue	1,849	2,722
PAT/Total comprehensive income for the financial year	144	48
Net cash from operating activities	588	577
Net cash for investing activities	(22)	(28)

13. ACCOUNTANTS' REPORT (Cont'd)



Crowe Horwath™

6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.8 INVESTMENTS IN SUBSIDIARIES (CONT'D)

The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests to the Group is as follows (Cont'd):-

	KOTA TINGGI RESORTS	
	FYE	FYE
	30.6.2013	30.6.2014
	RM'000	RM'000
<u>At 30 June</u>		
Non-current assets	2,883	2,533
Current assets	1,550	1,906
Current liabilities	(348)	(185)
Net assets	4,085	4,254
<u>Financial year ended 30 June</u>		
Revenue	2,155	2,269
PAT/Total comprehensive income for the financial year	68	167
Net cash from operating activities	547	574
Net cash from/(for) investing activities	1	(26)
Net cash from/(for) financing activities	6	(7)

13. ACCOUNTANTS' REPORT (Cont'd)



Crowe Horwath™

6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.9 PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Animal and exhibition gallery RM'000	Building, roads and infrastructure RM'000	Buildings RM'000	Computers RM'000	Electrical installation, renovation, signage and menus RM'000	Fire fighting and protection systems RM'000	Food and beverage equipment and fittings RM'000	Kitchen furniture, fixtures, utensils, crockery, tools, and equipment RM'000	Landscaping, kiosk, toilet and signboard RM'000	Machinery RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Operating equipment RM'000	Tube, amusement, water park and auxiliary amusement RM'000	Capital work-in-progress RM'000	Total RM'000
The Group																	
Net book value																	
At 1.7.2012	21,000	203	5,027	12,441	72	5,584	25	1,266	1,087	31	-	73	5,858	586	9,490	87	62,830
Additions	1,268	-	-	427	4	1,815	62	197	17	-	#	60	886	395	452	447	6,030
Written off	-	-	-	-	-	(66)	-	-	-	-	-	-	-	-	-	-	(66)
Disposal	-	-	-	-	-	(193)	-	-	-	-	-	-	(42)	-	-	-	(235)
Reclassifications	-	-	-	-	-	305	-	-	-	-	-	-	-	-	-	(305)	-
Depreciation charge	-	(145)	(249)	(377)	(30)	(1,129)	(10)	(300)	(239)	(7)	#	(67)	(1,005)	(154)	(1,306)	-	(5,018)
At 30.6.2013/1.7.2013	22,268	58	4,778	12,491	46	6,316	77	1,163	865	24	#	66	5,697	827	8,636	229	63,541
Additions	-	-	-	-	40	1,106	-	295	31	8	1	562	525	133	4	16,952	19,657
Written off	-	-	-	-	-	(66)	-	-	(40)	-	-	-	(23)	-	-	-	(129)
Disposal	-	-	-	-	-	(951)	-	-	-	-	-	-	-	-	-	-	(951)
Depreciation charge	-	(21)	(248)	(379)	(11)	(1,134)	(14)	(255)	(244)	(6)	-	(31)	(1,007)	(180)	(1,302)	-	(4,832)
At 30.6.2014	22,268	37	4,530	12,112	75	5,271	63	1,203	612	26	1	597	5,192	780	7,338	17,181	77,286

13. ACCOUNTANTS' REPORT (Cont'd)



Crowe Horwath™

6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group		Animal and exhibition gallery RM'000	Building, roads and infrastructure RM'000	Buildings RM'000	Computers RM'000	Electrical installation, renovation, signage and menus RM'000	Fire fighting and protection systems RM'000	Food and beverage equipment and fittings RM'000	Kitchen furniture, fixtures, utensils, crockery, tools, and equipment RM'000	Landscaping, kiosks, toilet and signboard RM'000	Machinery RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Operating equipment RM'000	Tube, amusement, water park and auxiliary amusement RM'000	Capital work-in-progress RM'000	Total RM'000
At 30.6.2013																	
At cost	1,268	3,914	8,904	3,366	430	13,078	196	4,141	2,806	256	2,293	726	12,455	1,797	28,753	229	82,632
At valuation	21,000	-	-	11,300	-	-	-	-	-	-	-	-	-	-	-	-	32,300
Accumulated depreciation	-	(3,656)	(4,126)	(2,195)	(384)	(6,762)	(119)	(2,976)	(1,941)	(232)	(2,293)	(680)	(6,756)	(970)	(18,117)	-	(51,391)
Net book value	22,268	58	4,778	12,491	46	6,316	77	1,163	865	24	#	66	5,697	827	8,636	229	63,541
At 30.6.2014																	
At cost	1,268	3,914	8,904	3,386	470	11,481	196	4,436	2,770	284	2,294	1,268	12,907	1,930	26,757	17,181	99,426
At valuation	21,000	-	-	11,300	-	-	-	-	-	-	-	-	-	-	-	-	32,300
Accumulated depreciation	-	(3,677)	(4,374)	(2,574)	(395)	(6,210)	(133)	(3,233)	(2,156)	(236)	(2,293)	(671)	(7,715)	(1,150)	(19,419)	-	(54,440)
Net book value	22,268	37	4,530	12,112	75	5,271	63	1,203	612	26	1	597	5,192	780	7,338	17,181	77,286

Note:-

- Less than RM1500.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Included in the net book value of property, plant and equipment at the end of the reporting period were the following assets acquired under hire purchase terms:-

	THE GROUP	
	FYE	FYE
	30.6.2013	30.6.2014
	RM'000	RM'000
Motor vehicles	66	597

The freehold land and buildings of the Group have been pledged to banks as security for banking facilities granted to the Group.

The net book value of the buildings at the end of the reporting period, had this asset been carried at cost less accumulated depreciation would have as follows:-

	THE GROUP	
	FYE	FYE
	30.6.2013	30.6.2014
	RM'000	RM'000
Buildings	8,376	8,181

6.1.10 PREPAID LAND LEASE PAYMENTS

	THE GROUP	
	FYE	FYE
	30.6.2013	30.6.2014
	RM'000	RM'000
Cost	62	62
Accumulated depreciation	(10)	(10)
Net book value	52	52
Accumulated amortisation:-		
At 1 July 2012/2013	(9)	(10)
Amortisation during the financial year	(1)	-
At 30 June	(10)	(10)

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.11 DEFERRED TAX ASSET/(LIABILITIES)

	THE GROUP	
	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
At 1 July 2012/2013	(1,984)	(1,541)
Recognised in profit or loss (Note 6.1.7)	443	(430)
Recognised in other comprehensive income	-	(376)
At 30 June	(1,541)	(2,347)
Presented as follows:-		
Deferred tax asset	243	159
Deferred tax liabilities	(1,784)	(2,506)
	(1,541)	(2,347)

The deferred tax (liabilities)/assets recognised at the end of the reporting period are as follows:-

	THE GROUP	
	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Deferred tax liabilities:-		
Accelerated capital allowances over depreciation	(2,404)	(2,175)
Revaluation of property	(711)	(1,087)
	(3,115)	(3,262)
Deferred tax assets:-		
Provision for restoration costs	92	45
Provision for bonus	401	-
Unabsorbed capital allowances	1,006	731
Unutilised tax losses	75	139
	1,574	915
	(1,541)	(2,347)

No deferred tax asset is recognised at the end of the reporting period for the following item:-

	THE GROUP	
	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Unabsorbed capital allowances	5,739	5,128

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.12 INVENTORIES

	THE GROUP	
	FYE	FYE
	30.6.2013	30.6.2014
	RM'000	RM'000
At cost:-		
Food and beverages	1,025	1,015
Merchandise held for sale	171	153
Packing materials and consumables	336	150
	<u>1,532</u>	<u>1,318</u>

6.1.13 TRADE RECEIVABLES

	THE GROUP	
	FYE	FYE
	30.6.2013	30.6.2014
	RM'000	RM'000
Trade receivables	499	352
Allowance for impairment losses	(207)	(169)
	<u>292</u>	<u>183</u>
Allowance for impairment losses:-		
At 1 July 2012/2013	(237)	(207)
Addition during the financial year	-	(22)
Reversal during the financial year	-	1
Write-off during the financial year	30	59
At 30 June	<u>(207)</u>	<u>(169)</u>

The Group's normal trade credit term is 30 days (2013 - 30 days). Sale of goods and services rendered by the Group are on a cash term basis. Other credit terms are assessed and approved on a case-by-case basis.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.14 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP	
	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Other receivables	198	1,544
Allowance for impairment losses	(39)	(27)
	159	1,517
Deposits	3,581	3,511
Prepayments	7,009	9,184
	10,749	14,212
Allowance for impairment losses:-		
At 1 July 2012/2013	(129)	(39)
Addition during the financial year	(22)	(26)
Write-off during the financial year	112	38
At 30 June	(39)	(27)

Included in the prepayments is an amount of approximately RM8,149,000 (2013 - RM6,300,000) being advances made to a contractor for renovation work for outlets.

6.1.15 AMOUNTS OWING BY/(TO) A SUBSIDIARY

	THE COMPANY	
	FPE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Amount owing by:-		
Trade balance	-	180
Amount owing to:-		
Non-trade balance	-	(8)

The trade balance is subject to a credit term of 30 days.

The non-trade balance is unsecured, interest-free and repayable on demand.

The amounts owing are to be settled in cash.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.16 DEPOSITS WITH LICENSED BANKS

The deposits with licensed banks at the end of the reporting period bore effective interest rates as follows:-

	THE GROUP	
	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Effective interest rates per annum (%)	1.80 - 3.23	2.55 - 3.55
The deposits have maturity period as follows:-		
Maturity period (days)	4 - 213	1 - 63

6.1.17 SHARE CAPITAL

	Par Value	Number of Shares	RM
From 8.11.2012 (Date of incorporation) to 30.6.2014			
ORDINARY SHARES OF RM1 EACH:-			
AUTHORISED			
At 8 November 2012 (date of incorporation)	1.00	100,000	100,000
Sub-division of the par value of ordinary shares of RM1.00 each into RM0.50 each	0.50	100,000	-
At 30 June 2013/1 July 2013	0.50	200,000	100,000
Creation during the financial year	0.50	399,800,000	199,900,000
At 30 June 2014		400,000,000	200,000,000

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.17 SHARE CAPITAL (CONT'D)

	Par Value	Number of Shares	RM
From 8.11.2012 (Date of incorporation) to 30.6.2014			
ISSUED AND FULLY PAID-UP			
At 8 November 2012 (date of incorporation)	1.00	2	2
Sub-division of the par value of ordinary shares of RM1.00 each into RM0.50 each	0.50	2	-
Issuance of shares	0.50	2	1
At 30 June 2013/1 July 2013	0.50	6	3
Issuance of new shares	0.50	128,591,094	64,295,547
At 30 June 2014		128,591,100	64,295,550

(a) During the FPE 30.6.2013,

- (i) OWG sub-divided its authorised share capital from 100,000 ordinary shares of RM1 each into 200,000 ordinary shares of RM0.50 each; and
- (ii) OWG sub-divided its existing 2 ordinary shares of RM1 each to 4 ordinary shares of RM0.50 each and increased its issued and paid-up share capital from RM2 to RM3 by the allotment of 2 new ordinary shares of RM0.50 each at par for the purpose of working capital. The shares were issued for cash consideration. The new shares issued rank pari passu in all respects with the existing shares of the Company.

(b) During the FYE 30.6.2014:-

- (i) OWG increased its authorised share capital from RM100,000 to RM200,000,000 by the creation of 399,800,000 new ordinary shares of RM0.50 each; and
- (ii) OWG increased its issued and paid up share capital from RM3 to RM64,295,550 by the allotment of 128,591,094 new ordinary shares of RM0.50 each at par for the acquisition of subsidiaries.

(c) The new ordinary shares issued rank pari passu in all respects with the existing shares of OWG.

(d) The holders of ordinary shares are entitled to receive dividends as and when declared by OWG, and are entitled to one vote per share at meetings of OWG.

13. ACCOUNTANTS' REPORT *(Cont'd)*



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.18 MERGER DEFICIT

The merger deficit relates to the Subsidiaries which were consolidated under the merger method of accounting.

The merger deficit arose from the difference between the nominal value of shares issued for the acquisition of the Subsidiaries and the nominal value of the shares acquired.

6.1.19 REVALUATION RESERVE

The revaluation reserve represents the surplus arising from the revaluation of the freehold land and buildings and is not distributable by way of cash dividends.

6.1.20 CAPITAL RESERVE

The capital reserve relates to the Group's portion of bonus shares issued by a sub-subsidiary through the capitalisation of its retained profits account.

The reserve is not distributable as cash dividends.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.21 LONG-TERM BORROWINGS

	THE GROUP	
	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Hire purchase payables (Note 6.1.22)	46	409
Term loans (Note 6.1.23)	24,124	24,674
	<u>24,170</u>	<u>25,083</u>

6.1.22 HIRE PURCHASE PAYABLES

	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
	Minimum hire purchase payments:	
- not later than one year	18	113
- later than one year and not later than five years	53	449
	<u>71</u>	<u>562</u>
Less: Future finance charges	(9)	(62)
Present value of hire purchase payables	<u>62</u>	<u>500</u>
Current (Note 6.1.28):		
- not later than one year	16	91
Non-current (Note 6.1.21):		
- later than one year and not later than five years	46	409
	<u>62</u>	<u>500</u>

The effective interest rates per annum of the hire purchase payables at the end of the reporting period are as follows:

	THE GROUP	
	FYE 30.6.2013	FYE 30.6.2014
Effective interest rate per annum (%)	2.50 - 5.46	4.65 - 4.83

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.23 TERM LOANS

	THE GROUP	
	FYE	FYE
	30.6.2013	30.6.2014
	RM'000	RM'000
Current portion (Note 6.1.28):		
- not later than one year	1,333	1,599
Non-current portion (Note 6.1.21):		
- later than one year and not later than two years	1,391	1,679
- later than two years and not later than five years	4,603	5,555
- later than five years	18,130	17,440
Total non-current portion	24,124	24,674
	25,457	26,273

Details of term loans outstanding at the end of the reporting period are as follows:

Term loan	Number of monthly instalments	Monthly instalment amount RM'000	Date of commencement of repayment	THE GROUP	
				Amount outstanding	
				FYE	FYE
				30.6.2013	30.6.2014
				RM'000	RM'000
1	240	98	July 2010	12,206	13,195
2	240	15	January 2011	1,863	1,999
3	240	43	May 2012	3,161	3,436
4	120	69	July 2013	6,500	5,995
5	180	7	May 2011	813	773
6	240	6	January 2013	913	875
7	54	10	July 2007	1	-
				25,457	26,273

The term loans 1 to 3 are secured by:-

- legal charges over certain properties of the group as disclosed in Note 6.1.9 in this report; and
- a joint and several guarantee of certain directors of OWG.

The term loan 4 is secured by:-

- legal charges over certain properties of the group as disclosed in Note 6.1.9 in this report; and
- a joint and several guarantee of certain directors of the OWG; and
- corporate guarantee of Platinum Attractions.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.23 TERM LOANS (CONT'D)

The term loans 5 and 6 are secured by:-

- (a) a first party legal charge over certain properties of the Group as disclosed in Note 6.1.9 in this report; and
- (b) a joint and several guarantee of certain directors of OWG.

The term loan 7 is secured by:-

- (a) a guarantee in favour of the Bank by Credit Guarantee Corporation Malaysia Berhad ("CGC"); and
- (b) a corporate guarantee of a related party.

The effective interest rates per annum of the term loans at the end of the reporting period are as follows:-

	THE GROUP	
	FYE 30.6.2013	FYE 30.6.2014
Effective interest rate per annum (%)	4.50 - 5.10	4.45 - 5.10

6.1.24 PROVISION

	THE GROUP	
	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Provision for restoration costs:-		
At 1 July	700	700
Reversal during the financial year	-	(190)
At 30 June	700	510
Non-current portion:		
- between two and five years	700	510

6.1.25 TRADE PAYABLES

The normal credit terms granted to the Group range from 30 to 120 days.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.26 OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

	THE COMPANY		THE GROUP	
	FPE 30.6.2013 RM'000	FYE 30.6.2014 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Other payables	-	-	2,360	1,554
Deposits received	-	-	2,200	1,609
Accruals and provisions	4	178	4,673	2,448
	4	178	9,233	5,611

6.1.27 AMOUNT OWING TO A RELATED PARTY

The amount owing in the previous financial year/period was non-trade in nature, unsecured, interest-free and repayable on demand.

The amount owing was settled in cash.

6.1.28 SHORT-TERM BORROWINGS

	THE GROUP	
	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Hire purchase payables (Note 6.1.22)	16	91
Term loans (Note 6.1.23)	1,333	1,599
	1,349	1,690

6.1.29 PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	THE GROUP	
	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Cost of property, plant and equipment purchased	6,030	19,657
Amount finance through hire purchase	(61)	(455)
Cash disbursed for purchase of property, plant and equipment	5,969	19,202

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.30 CASH AND CASH EQUIVALENTS

	THE COMPANY		THE GROUP	
	FPE 30.6.2013 RM'000	FYE 30.6.2014 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Deposits with licensed banks (Note 6.1.16)	-	-	27,471	11,081
Cash and bank balances	***	***	5,131	16,829
	***	***	32,602	27,910

Note:-

*** - RM3

6.1.31 RELATED PARTY DISCLOSURES

(a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Other than those disclosed elsewhere in the financial statements, OWG and the Group also carried out the following significant transactions with the related parties during the financial year:-

	THE COMPANY		THE GROUP	
	FPE 30.6.2013 RM'000	FYE 30.6.2014 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Entities controlled by certain key management personnel:-				
Sales	-	-	181	109
Purchase plant and equipment	-	-	350	-
Dividend paid/payable	-	-	6,533	-
Subsidiary:-				
Management fee	180	-	-	-

(c) Key management personnel compensation:-

	THE COMPANY		THE GROUP	
	FPE 30.6.2013 RM'000	FYE 30.6.2014 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Short-term employee benefits	-	-	928	1,415

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.32 CAPITAL COMMITMENT

	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
<u>Approved but not contracted for:-</u>		
Renovation work conducted for outlets	40,000	39,700
<u>Approved and contractor for:-</u>		
Renovation work conducted for outlets	6,300	8,450

6.1.33 OPERATING LEASE COMMITMENT

The future minimum lease payments under the non-cancellable operating leases are as follows:-

	THE GROUP	
	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Not more than one year	465	426
Later than one year and not later than five years	1,777	1,790
Later than five years	6,261	5,838
	8,503	8,054

The non-cancellable operating lease commitment is in respect of rental of premises.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.34 FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

The Group does not have any transactions or balances denominated in foreign currencies and hence are not exposed to foreign currency risks.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:-

	THE GROUP	
	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Fixed rate instruments		
Deposits with licensed banks	27,471	11,081
Hire purchase payables	(62)	(500)
	<u>27,409</u>	<u>10,581</u>
Floating rate instrument		
Term loans	<u>25,457</u>	<u>26,273</u>

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.34 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk sensitivity analysis

The interest rate risk sensitivity analysis on the fixed rate instruments are not disclosed as the financial instruments are measured at amortised cost.

The following table details the sensitivity analysis on the floating rate instrument to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	THE GROUP	
	FYE 30.6.2013 Increase/ (Decrease) RM'000	FYE 30.6.2014 Increase/ (Decrease) RM'000
Effects on profit after taxation/equity		
Increase of 100 basis points	(191)	(197)
Decrease of 100 basis points	191	197

(iii) Equity Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

13. ACCOUNTANTS' REPORT (Cont'd)

**Crowe Horwath™****6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.1 OWG (CONT'D)****6.1.34 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(ii) Credit Risk**

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by two customers which constituted approximately 76% of its trade receivables as at the end of the reporting period.

(ii) Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the reporting period.

The Group does not have exposure to international credit risk as the entire receivables are concentrated in Malaysia

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.34 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

(iii) Ageing analysis

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

THE GROUP	GROSS AMOUNT RM'000	INDIVIDUAL IMPAIRMENT RM'000	COLLECTIVE IMPAIRMENT RM'000	CARRYING VALUE RM'000
FYE 30.6.2013				
Not past due	128	-	-	128
Past due:				
- less than 3 months	95	-	-	95
- 3 to 6 months	22	-	-	22
- over 6 months	254	(207)	-	47
	499	(207)	-	292
FYE 30.6.2014				
Not past due	34	-	-	34
Past due:				
- less than 3 months	114	-	-	114
- 3 to 6 months	35	-	-	35
- over 6 months	169	(169)	-	-
	352	(169)	-	183

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Groups uses ageing analysis to monitor the credit quality of the trade receivables.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.34 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	EFFECTIVE INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	OVER 5 YEARS RM'000
The Company						
FPE 30.06.2013						
Other payables and accruals	-	4	4	4	-	-
Amount owing to a related party	-	2	2	2	-	-
		6	6	6	-	-
FYE 30.06.2014						
Other payables and accruals	-	178	178	178	-	-
Amount owing to a subsidiary	-	8	8	8	-	-
		186	186	186	-	-

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.34 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

	EFFECTIVE INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	OVER 5 YEARS RM'000
The Group						
FYE 30.06.2013						
Trade payables	-	2,008	2,008	2,008	-	-
Other payables, deposits received and accruals	-	9,233	9,233	9,233	-	-
Amount owing to a related party	-	2	2	2	-	-
Hire purchase payables	2.50 - 5.46	62	72	19	53	-
Term loans	4.50 - 5.10	25,457	28,312	1,713	6,848	19,751
		36,762	39,627	12,975	6,901	19,751
FYE 30.06.2014						
Trade payables	-	2,095	2,095	2,095	-	-
Other payables, deposits received and accruals	-	5,611	5,611	5,611	-	-
Hire purchase payables	4.65 - 4.83	500	562	113	449	-
Term loans	4.45 - 5.10	26,273	36,154	2,850	11,401	21,903
		34,479	44,422	10,669	11,850	21,903

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.34 FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management

The Group manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as interest-bearing borrowings less cash and cash equivalents.

The debt-to-equity ratio as at the end of the reporting period is not presented as its cash and equivalents exceeded the total interest-bearing borrowings.

(c) Classification of Financial Instruments

	The Company		The Group	
	FPE 30.6.2013 RM'000	FYE 30.6.2014 RM'000	FPE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Financial Asset				
<u>Loans and receivables</u>				
<u>financial asset</u>				
Trade receivables	-	-	292	183
Other receivables and deposits	-	-	3,740	5,028
Amount owing by a subsidiary	-	180	-	-
Deposits with licensed banks	-	-	27,471	11,081
Cash and bank balances	***	***	5,131	16,829
	***	180	36,634	33,121
Financial Liability				
<u>Other financial liabilities</u>				
Trade payables	-	-	2,008	2,095
Other payables, deposits received and accruals	4	178	9,233	5,611
Amount owing to a subsidiary	-	8	-	-
Amount owing to a related party	2	-	2	-
Hire purchase payables	-	-	62	500
Term loans	-	-	25,457	26,273
	6	186	36,762	34,479

Note:-

*** - RM3

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 OWG (CONT'D)

6.1.34 FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Value Information

At the end of the reporting period, there were no financial instruments carried at fair values.

The fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The fair values are determined by discounting the relevant cash flows at rates equal to the current market interest rate plus appropriate credit rating, where necessary. The fair values are included in level 2 of the fair value hierarchy.

The fair values of the non-current portion of hire purchase payables and term loans equal their carrying amounts as the impact of discounting is not material. The fair values are determined on cash flows discounted using the current market interest rate and are within level 2 of the fair value hierarchy.

6.1.35 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Implementation and Completion of Acquisitions of Subsidiaries.

On 23 May 2013, the Companies entered into Share Sale Agreements with the vendors of the Subsidiaries for the acquisition of the issued and paid-up share capital of the Subsidiaries. The Acquisition was completed on 24 March 2014.

6.1.36 SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 14 August 2014, Public Investment Bank Berhad had on behalf of OWG, submitted an application to the SC for the extension of time for another 6 months until 5 March 2015 to complete the implementation of the listing exercise as well as the fulfilment of the imposed conditions, which had expired on 5 September 2014.

OWG has obtained the approval for extension of time from the SC on 11 September 2014.

6.1.37 COMPARATIVE FIGURES

The comparative figures of the Group were presented based on the financial statements of the subsidiaries which were accounted for using the merger method of accounting, as the Subsidiaries were under common control by the same party both before and after the Acquisition by OWG, and that control is not transitory.

The comparative figures of OWG were for the financial period from 8 November 2012 (date of incorporation) to 30 June 2013.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT

6.2.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTE	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Revenue	6.2.5	6,280	8,581	7,358
Cost of sales		(2,318)	(4,104)	(4,785)
GP		3,962	4,477	2,573
Other income		220	249	176
		4,182	4,726	2,749
Selling and distribution expenses		(10)	(4)	(2)
Administrative expenses		(1,115)	(834)	(1,010)
Other operating expenses		(56)	-	-
PBT	6.2.6	3,001	3,888	1,737
Income tax expense	6.2.7	(794)	(974)	(457)
PAT		2,207	2,914	1,280
Other comprehensive income		-	-	-
Total comprehensive income for the financial year/period		2,207	2,914	1,280
PAT attributable to:- Owners of the Company		2,207	2,914	1,280
Total comprehensive income attributable to:- Owners of the Company		2,207	2,914	1,280
PAT		2,207	2,914	1,280
Income tax expense		794	974	457
PBT		3,001	3,888	1,737
Depreciation		590	351	219
Interest income		(72)	(81)	(58)
Earnings before interest, taxation, depreciation and amortisation		3,519	4,158	1,898

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	FYE 30.6.2012	FYE 30.6.2013	FYE 30.6.2014
<i>GP margin (%)</i>	63.09	52.17	34.97
<i>PBT margin (%)</i>	47.79	45.31	23.61
<i>PAT margin (%)</i>	35.14	33.96	17.40
<i>Effective tax rate (%)</i>	26.46	25.05	26.31
<i>Weighted average number of ordinary shares</i>	62,503	62,503	62,503
<i>Gross EPS (RM)*</i>	48.01	62.21	27.79
<i>Net EPS (RM)*</i>	35.31	46.62	20.48

Note:-

- * - The Gross EPS and Net EPS were computed by dividing the PBT and PAT respectively by the number of ordinary shares in issue during the Relevant Financial Period.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.2 STATEMENTS OF FINANCIAL POSITION

	NOTE	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
ASSETS				
NON-CURRENT ASSET				
Equipment	6.2.8	1,150	1,184	996
CURRENT ASSETS				
Inventories	6.2.9	39	7	7
Other receivables, deposits and prepayments	6.2.10	335	1,180	825
Amount owing by a related company	6.2.11	-	-	2,000
Tax refundable		302	113	545
Deposits with licensed banks	6.2.12	2,348	2,564	1,117
Cash and bank balances		1,229	326	980
		4,253	4,190	5,474
TOTAL ASSETS		5,403	5,374	6,470

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)
 6.2 BELIEVE IT OR NOT (CONT'D)
 6.2.2 STATEMENTS OF FINANCIAL POSITION (CONT'D)

	NOTE	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
EQUITY AND LIABILITIES				
EQUITY				
Share capital	6.2.13	63	63	63
Retained profits	6.2.14	3,608	3,477	4,757
TOTAL EQUITY		3,671	3,540	4,820
NON-CURRENT LIABILITIES				
Provision	6.2.15	200	200	200
Deferred tax liability	6.2.16	110	96	96
		310	296	296
CURRENT LIABILITIES				
Trade payables	6.2.17	4	10	4
Other payables, deposits received and accruals	6.2.18	1,113	1,528	1,350
Dividend payables		305	-	-
		1,422	1,538	1,354
TOTAL LIABILITIES		1,732	1,834	1,650
TOTAL EQUITY AND LIABILITIES		5,403	5,374	6,470
<i>Weighted average number of ordinary shares</i>				
<i>NA (RM'000)</i>		62,503	62,503	62,503
<i>NA per ordinary share (RM)</i>		3,671	3,540	4,820
<i>Trade payables turnover period (days)</i>		58.73	56.64	77.12
		0.63	0.89	0.31

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.3 STATEMENTS OF CASH FLOWS

	NOTE	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
PBT		3,001	3,888	1,737
Adjustments for:-				
Allowance for impairment losses on receivables		27	-	-
Deposit written off		10	-	-
Depreciation of equipment		590	351	219
Equipment written off		19	-	-
Interest income		(72)	(81)	(58)
Operating profit before working capital changes		3,575	4,158	1,898
Decrease/(Increase) in inventories		#	31	#
(Increase)/Decrease in trade and other receivables		(24)	(845)	355
Increase/(Decrease) in trade and other payables		536	421	(184)
CASH FROM OPERATIONS		4,087	3,765	2,069
Income tax paid		(691)	(798)	(889)
NET CASH FROM OPERATING ACTIVITIES CARRIED FORWARD		3,396	2,967	1,180

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.3 STATEMENTS OF CASH FLOWS (CONT'D)

	NOTE	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
NET CASH FROM OPERATING ACTIVITIES BROUGHT FORWARD		3,396	2,967	1,180
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES				
Repayment from a shareholder		993	-	-
Advances to a related company		-	-	(2,000)
Purchase of equipment		(146)	(385)	(31)
Interest received		72	81	58
NET CASH FROM/(FOR) INVESTING ACTIVITIES		919	(304)	(1,973)
CASH FLOWS FOR FINANCING ACTIVITIES				
Dividends paid		(2,695)	(3,350)	-
Repayment to related parties		(42)	-	-
Repayment to a director		(4)	-	-
NET CASH FOR FINANCING ACTIVITIES		(2,741)	(3,350)	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,574	(687)	(793)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		2,003	3,577	2,890
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	6.2.19	3,577	2,890	2,097

Note:-

- Less than RM500.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.4 STATEMENTS OF CHANGES IN EQUITY

	NOTE	SHARE CAPITAL RM'000	RETAINED PROFITS RM'000	TOTAL RM'000
Balance at 1.7.2011		63	4,401	4,464
PAT/Total comprehensive income for the financial year		-	2,207	2,207
Transaction with owners of the Company:-				
Dividends declared	6.2.20	-	(3,000)	(3,000)
Balance at 30.6.2012/1.7.2012		63	3,608	3,671
PAT/Total comprehensive income for the financial year		-	2,914	2,914
Transaction with owners of the Company:-				
Dividends paid	6.2.20	-	(3,045)	(3,045)
Balance at 30.6.2013/1.7.2013		63	3,477	3,540
PAT/Total comprehensive income for the financial year		-	1,280	1,280
Balance at 30.6.2014		63	4,757	4,820

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.5 REVENUE

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Entrance fees	4,702	4,479	3,268
Rendering of services	1,578	4,102	4,090
	<u>6,280</u>	<u>8,581</u>	<u>7,358</u>

6.2.6 PBT

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
PBT is arrived at after charging/(crediting):-			
Allowance for impairment losses on receivables	27	-	-
Audit fee:			
- for the financial year/period	11	15	15
- underprovision in the previous financial year	3	2	-
Deposit written off	10	-	-
Depreciation of equipment	590	351	219
Director's non-fee emoluments:			
- salaries	192	192	192
- defined contribution plan	23	23	23
Equipment written off	19	-	-
Rental of premises	1,875	3,953	3,980
Staff costs:			
- salaries, wages, overtime, bonuses and allowances	449	336	300
- defined contribution plan	30	23	20
- other benefits	114	113	89
Interest income	(72)	(81)	(58)
Rental income	(629)	(756)	-

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.7 INCOME TAX EXPENSE

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Current tax expense:			
- for the financial year	886	1,002	454
- under/(over)provision in the previous financial year	39	(14)	3
	<u>925</u>	<u>988</u>	<u>457</u>
Deferred tax expense (Note 6.2.16):			
- relating to origination and reversal of temporary differences	(97)	-	-
- overprovision in the previous financial year	(34)	(14)	-
	<u>(131)</u>	<u>(14)</u>	<u>-</u>
	<u>794</u>	<u>974</u>	<u>457</u>

During the Relevant Financial Period, the statutory tax rate is 25%.

The corporate tax rate on the first RM500,000 of chargeable income is 20%. The tax rate applicable to the balance of the chargeable income is 25%.

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment of 2016.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.7 INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the PBT at the statutory tax rate to income tax expense at the effective tax rate of Believe It Or Not is as follows:-

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
PBT	3,001	3,888	1,737
Tax at the statutory tax rate of 25%	750	972	434
Tax effects of:			
Non-deductible expenses	64	55	45
Under/(Over)provision in the previous financial year:			
- current tax	39	(14)	3
- deferred tax	(34)	(14)	-
Differential in tax rates	(25)	(25)	(25)
Income tax expense for the financial year	794	974	457

13. ACCOUNTANTS' REPORT (Cont'd)



Crowe Horwath™

6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.8 EQUIPMENT

	Operating equipment, furniture and fittings RM'000	Computers RM'000	Renovation RM'000	Exhibition gallery RM'000	Signage RM'000	Total RM'000
Net book value						
At 1.7.2011	381	12	574	594	52	1,613
Additions	146	-	-	-	-	146
Written off	-	-	(14)	-	(5)	(19)
Depreciation charge	(85)	(7)	(98)	(391)	(9)	(590)
At 30.6.2012/1.7.2012	442	5	462	203	38	1,150
Additions	383	1	-	-	1	385
Depreciation charge	(119)	(2)	(77)	(145)	(8)	(351)
At 30.6.2013/1.7.2013	706	4	385	58	31	1,184
Additions	27	3	-	-	1	31
Depreciation charge	(116)	(2)	(73)	(20)	(8)	(219)
At 30.6.2014	617	5	312	38	24	996

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.8 EQUIPMENT (CONT'D)

	Operating equipment, furniture and fittings RM'000	Computers RM'000	Renovation RM'000	Exhibition gallery RM'000	Signage RM'000	Total RM'000
At 30.6.2012						
At cost	892	46	877	3,910	81	5,806
Accumulated depreciation	(450)	(41)	(415)	(3,707)	(43)	(4,656)
Net book value	442	5	462	203	38	1,150
At 30.6.2013						
At cost	1,275	47	877	3,910	82	6,191
Accumulated depreciation	(569)	(43)	(492)	(3,852)	(51)	(5,007)
Net book value	706	4	385	58	31	1,184
At 30.6.2014						
At cost	1,302	50	877	3,910	83	6,222
Accumulated depreciation	(685)	(45)	(565)	(3,872)	(59)	(5,226)
Net book value	617	5	312	38	24	996

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.9 INVENTORIES

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Merchandise, at cost	39	7	7

None of the inventories is carried at net realisable value.

6.2.10 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Other receivables	32	19	-
Allowance for impairment losses	(27)	-	-
	5	19	-
Deposits	229	1,037	776
Prepayments	101	124	49
	335	1,180	825
Allowance for impairment losses:-			
At 1 July	-	(27)	-
Addition during financial year	(27)	-	-
Write-off during financial year	-	27	-
At 30 June	(27)	-	-

13. ACCOUNTANTS' REPORT (Cont'd)



Crowe Horwath™

6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.11 AMOUNT OWING BY A RELATED COMPANY

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

6.2.12 DEPOSITS WITH LICENSED BANKS

The deposits with licensed banks at the end of the reporting period bore effective interest rates as follows:-

	FYE 30.6.2012	FYE 30.6.2013	FYE 30.6.2014
Effective interest rates per annum (%)	3.30	2.50 - 3.23	3.22

The deposits have maturity period as follows:-

	FYE 30.6.2012	FYE 30.6.2013	FYE 30.6.2014
Maturity period (days)	90	6 - 151	- 60

13. ACCOUNTANTS' REPORT (Cont'd)



Crowe Horwath™

6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.13 SHARE CAPITAL

	FYE 30.6.2012	FYE 30.6.2013	FYE 30.6.2014	FYE 30.6.2012	FYE 30.6.2013	FYE 30.6.2014
	Number of Shares			RM	RM	RM
ORDINARY SHARES OF RM1 EACH:-						
AUTHORISED	100,000	100,000	100,000	100,000	100,000	100,000
ISSUED AND FULLY PAID-UP	62,503	62,503	62,503	62,503	62,503	62,503

6.2.14 RETAINED PROFITS

Under the single tier tax system, tax on Believe It Or Not's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.15 PROVISION

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Provision for restoration costs:-			
At 30 June	200	200	200
Non-current portion:			
- between two and five years	200	200	200

6.2.16 DEFERRED TAX LIABILITY

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
At 1 July	241	110	96
Recognised in profit or loss (Note 6.2.7)	(131)	(14)	-
At 30 June	110	96	96

The deferred tax liability relates to temporary differences between depreciation and capital allowances on the qualifying cost of equipment.

6.2.17 TRADE PAYABLES

The normal trade credit term granted to Believe It Or Not is 30 days.

6.2.18 OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Other payables	302	763	578
Deposits received	645	646	647
Accruals	166	119	125
	1,113	1,528	1,350

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.19 CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Deposits with licensed banks (Note 6.2.12)	2,348	2,564	1,117
Cash and bank balances	1,229	326	980
	<u>3,577</u>	<u>2,890</u>	<u>2,097</u>

6.2.20 DIVIDENDS

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
In respect of the FYE 30.6.2012:			
- a first interim single tier dividend of approximately RM16.00 per ordinary share	1,000	-	-
- a second interim single tier dividend of approximately RM31.99 per ordinary share	2,000	-	-
In respect of the FYE 30.6.2013:			
- a first interim single tier dividend of approximately RM16.71 per ordinary share	-	1,045	-
- a second interim single tier dividend of approximately RM32.00 per ordinary share	-	2,000	-
	<u>3,000</u>	<u>3,045</u>	<u>-</u>

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.21 RELATED PARTY DISCLOSURES

(a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, Believe It Or Not has related party relationships with its directors, key management personnel, entities controlled by certain key management personnel, its holding company and related companies.

(b) Other than those disclosed elsewhere in the financial statements, Believe It Or Not also carried out the following significant transactions with the related parties during the financial year:-

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Related companies			
(FYE 30.6.2012 and FYE 30.6.2013 -			
Entities controlled by certain key			
management personnel)*:-			
Rental of office paid/payable	265	265	265
Rental of staff quarters paid/payable	75	75	75
Royalty fee paid/payable	31	-	-
Staff meals paid/payable	21	23	-

Note:

* - In previous financial years, the relationships of Believe It Or Not with the entities are that of related parties.

During the current financial year, Believe It Or Not became a subsidiary of OWG and has related company relationships with the fellow subsidiaries of OWG.

(c) Key management personnel compensation:-

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Short-term employee benefits	215	215	215

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.22 FINANCIAL INSTRUMENTS

Believe It Or Not's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. Believe It Or Not's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Believe It Or Not's financial performance.

(a) Financial Risk Management Policies

The policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

Believe It Or Not does not have any transactions or balances denominated in foreign currencies and hence are not exposed to foreign currency risks.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Believe It Or Not's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. Believe It Or Not's policy is to obtain the most favourable interest rates available. Any surplus funds of Believe It Or Not will be placed with licensed financial institutions to generate interest income.

Exposure to interest rate risk

The interest rate profile of Believe It Or Not's significant interest-bearing financial instrument, based on carrying amount as at the end of the reporting period was:-

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Fixed rate instrument			
Deposits with licensed banks	2,348	2,564	1,117

Interest rate risk sensitivity analysis

The interest rate risk sensitivity analysis is not disclosed as the interest-bearing financial instrument carry fixed interest rate and is measured at amortised cost.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.22 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(iii) Equity Price Risk

Believe It Or Not does not have any quoted investments and hence is not exposed to equity price risk.

(ii) Credit Risk

Believe It Or Not does not have any major concentration of credit risk related to any individual customer or counterparty.

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. Believe It Or Not practises prudent risk management by maintaining sufficient cash and bank balances.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed based on the rate at the end of the reporting period):-

	EFFECTIVE INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	OVER 5 YEARS RM'000
FYE 30.6.2012						
Trade payables	-	4	4	4	-	-
Other payables, deposits received and accruals	-	1,113	1,113	1,113	-	-
Dividend payables	-	305	305	305	-	-
		1,422	1,422	1,422	-	-
FYE 30.6.2013						
Trade payables	-	10	10	10	-	-
Other payables, deposits received and accruals	-	1,528	1,528	1,528	-	-
		1,538	1,528	1,538	-	-

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.22 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

	EFFECTIVE INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	OVER 5 YEARS RM'000
FYE 30.6.2014						
Trade payables	-	4	4	4	-	-
Other payables, deposits received and accruals	-	1,350	1,350	1,350	-	-
		1,354	1,354	1,354	-	-

(b) Capital Risk Management

Believe It Or Not manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, Believe It Or Not may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

Believe It Or Not manages its capital based on debt-to-equity ratio. Believe It Or Not's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as interest-bearing borrowings less cash and cash equivalents.

The debt-to-equity ratio of Believe It Or Not as at the end of the reporting period is not presented as it had no interest-bearing borrowings.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 BELIEVE IT OR NOT (CONT'D)

6.2.22 FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification of Financial Instruments

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Financial Asset			
<u>Loans and receivables financial assets</u>			
Other receivables and deposits	234	1,056	776
Amount owing by a related company	-	-	2,000
Deposits with licensed banks	2,348	2,564	1,117
Cash and bank balances	1,229	326	980
	<u>3,811</u>	<u>3,946</u>	<u>4,873</u>
Financial Liability			
<u>Other financial liabilities</u>			
Trade payables	4	10	4
Other payables, deposits received and accruals	1,113	1,528	1,350
Dividend payables	305	-	-
	<u>1,422</u>	<u>1,538</u>	<u>1,354</u>

(d) Fair Value Information

At the end of the reporting period, there were no financial instruments carried at fair values.

The fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The fair values are determined by discounting the relevant cash flows at rates equal to the current market interest rate plus appropriate credit rating, where necessary. The fair values are included in level 2 of the fair value hierarchy.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.3 DUNIA SETULIN

6.3.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTE	FPE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Revenue	6.3.5	13,471	10,001	7,513
Cost of sales		(9,020)	(6,562)	(4,940)
GP		4,451	3,439	2,573
Other income		25	18	14
Selling and distribution expenses		4,476	3,457	2,587
Administrative expenses		(407)	(302)	(226)
PBT	6.3.6	1,890	1,688	852
Income tax expense	6.3.7	(455)	(415)	(200)
PAT		1,435	1,273	652
Other comprehensive income		-	-	-
Total comprehensive income for the financial period/year		1,435	1,273	652
PAT attributable to:- Owners of the Company		1,435	1,273	652
Total comprehensive income attributable to:- Owners of the Company		1,435	1,273	652
PAT		1,435	1,273	652
Income tax expense		455	415	200
PBT		1,890	1,688	852
Depreciation		250	141	142
Earnings before interest, taxation, depreciation and amortisation		2,140	1,829	994

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.3 DUNIA SETULIN (CONT'D)

6.3.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	FPE 30.6.2012	FYE 30.6.2013	FYE 30.6.2014
<i>GP margin (%)</i>	33.04	34.39	34.25
<i>PBT margin (%)</i>	14.03	16.88	11.34
<i>PAT margin (%)</i>	10.65	12.73	8.68
<i>Effective tax rate (%)</i>	24.07	24.59	23.47
<i>Weighted average number of ordinary shares</i>	450,000	450,000	450,000
<i>Gross EPS (RM)*</i>	4.20	3.75	1.89
<i>Net EPS (RM)*</i>	3.19	2.83	1.45

Note:-

- * - The Gross EPS and Net EPS were computed by dividing the PBT and PAT respectively by the number of ordinary shares in issue during the Relevant Financial Period.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.3 DUNIA SETULIN (CONT'D)

6.3.2 STATEMENTS OF FINANCIAL POSITION

	NOTE	FPE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
ASSETS				
NON-CURRENT ASSET				
Equipment	6.3.8	771	705	489
CURRENT ASSETS				
Inventories	6.3.9	228	216	166
Deposits		181	181	127
Tax refundable		52	-	-
Cash and bank balances		956	1,399	2,295
		1,417	1,796	2,588
TOTAL ASSETS		2,188	2,501	3,077

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)
 6.3 DUNIA SETULIN (CONT'D)
 6.3.2 STATEMENTS OF FINANCIAL POSITION (CONT'D)

	NOTE	FPE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
EQUITY AND LIABILITIES				
EQUITY				
Share capital	6.3.10	450	450	450
Retained profits	6.3.11	843	816	1,468
TOTAL EQUITY		1,293	1,266	1,918
NON-CURRENT LIABILITY				
Deferred tax liability	6.3.12	138	117	76
CURRENT LIABILITIES				
Trade payables	6.3.13	245	241	257
Other payables and accruals	6.3.14	344	333	260
Amount owing to a related party	6.3.15	168	540	545
Provision for taxation		-	4	21
		757	1,118	1,083
TOTAL LIABILITIES		895	1,235	1,159
TOTAL EQUITY AND LIABILITIES		2,188	2,501	3,077
<i>Weighted average number of ordinary shares</i>		450,000	450,000	450,000
<i>NA (RM'000)</i>		1,293	1,266	1,918
<i>NA per ordinary share (RM)</i>		2.87	2.81	4.26
<i>Trade payables turnover period (days)</i>		14.86	13.41	18.99

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.3 DUNIA SETULIN (CONT'D)

6.3.3 STATEMENTS OF CASH FLOWS

	FPE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
PBT	1,890	1,688	852
Adjustments for:-			
Depreciation of equipment	250	141	142
Equipment written off	36	-	96
Loss on disposal of equipment	-	35	-
Operating profit before working capital changes	2,176	1,864	1,090
(Increase)/Decrease in inventories	(43)	12	50
(Increase)/Decrease in deposits	(7)	-	54
Decrease in trade and other payables	(13)	(15)	(57)
(Decrease)/Increase in amount owing to a related party	(204)	372	5
CASH FROM OPERATIONS	1,909	2,233	1,142
Income tax paid	(448)	(380)	(304)
Income tax refunded	-	-	80
NET CASH FROM OPERATING ACTIVITIES CARRIED FORWARD	1,461	1,853	918

13. ACCOUNTANTS' REPORT (Cont'd)



Crowe Horwath™

6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.3 DUNIA SETULIN (CONT'D)

6.3.3 STATEMENTS OF CASH FLOWS (CONT'D)

	FPE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
NET CASH FROM OPERATING ACTIVITIES BROUGHT FORWARD	1,461	1,853	918
CASH FLOWS FOR INVESTING ACTIVITIES			
Purchase of equipment	(199)	(118)	(22)
Proceeds from disposal of equipment	-	8	-
NET CASH FOR INVESTING ACTIVITIES	(199)	(110)	(22)
NET CASH FOR FINANCING ACTIVITY			
Dividends paid	(1,500)	(1,300)	-
NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES	(238)	443	896
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	1,194	956	1,399
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD/YEAR	956	1,399	2,295

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.3 DUNIA SETULIN (CONT'D)

6.3.4 STATEMENTS OF CHANGES IN EQUITY

	NOTE	SHARE CAPITAL RM'000	RETAINED PROFITS RM'000	TOTAL RM'000
At 1.1.2011		450	908	1,358
PAT/Total comprehensive income for the financial period		-	1,435	1,435
Transaction with owners of the Company:-				
Dividend paid	6.3.16	-	(1,500)	(1,500)
Balance at 30.6.2012/1.7.2012		450	843	1,293
PAT/Total comprehensive income for the financial period		-	1,273	1,273
Transaction with owners of the Company:-				
Dividend paid	6.3.16	-	(1,300)	(1,300)
Balance at 30.6.2013/1.7.2013		450	816	1,266
PAT/Total comprehensive income for the financial period		-	652	652
Balance at 30.6.2014		450	1,468	1,918

6.3.5 REVENUE

Revenue represents the invoiced value of food and beverages sold less service tax.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.3 DUNIA SETULIN (CONT'D)

6.3.6 PBT

	FPE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
PBT is arrived at after charging:-			
Audit fee:			
- for the financial period/year	12	20	20
- underprovision in the previous financial period/year	2	15	-
Depreciation of equipment	250	141	142
Equipment written off	36	-	96
Loss on disposal of equipment	-	35	-
Rental of premises	1,457	1,037	819
Staff costs:			
- salaries, wages, bonuses and allowances	2,163	1,537	1,136
- defined contribution plan	146	124	66
- other benefits	683	475	466

13. ACCOUNTANTS' REPORT (Cont'd)



Crowe Horwath™

6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.3 DUNIA SETULIN (CONT'D)

6.3.7 INCOME TAX EXPENSE

	FPE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Current tax expense:			
- for the financial period/year	468	436	253
- overprovision in the previous financial period/year	(49)	-	(12)
	419	436	241
Deferred tax expense (Note 6.3.12):			
- relating to origination and reversal of temporary differences	(19)	(21)	(41)
- underprovision in the previous financial period/year	55	-	-
	36	(21)	(41)
	455	415	200

During the Relevant Financial Period, the statutory tax rate is 25%.

The corporate tax rate on the first RM500,000 of chargeable income is 20%. The tax rate applicable to the balance of the chargeable income is 25%.

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment of 2016.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.3 DUNIA SETULIN (CONT'D)

6.3.7 INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the PBT at the statutory tax rate to income tax expense at the effective tax rate of Dunia Setulin is as follows:-

	FPE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
PBT	1,890	1,688	852
Tax at the statutory tax rate of 25%	473	422	213
Tax effects of:			
Non-deductible expenses	26	18	24
(Over)/Underprovision in the previous financial period/year:			
- current tax	(49)	-	(12)
- deferred tax	55	-	-
Differential in tax rates	(50)	(25)	(25)
Income tax expense for the financial period/year	455	415	200

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.3 DUNIA SETULIN (CONT'D)

6.3.8 EQUIPMENT

	Kitchen equipment and tools RM'000	Office equipment, furniture and fittings RM'000	Office renovation and electrical installation RM'000	Signboard and menuboard RM'000	Total RM'000
Net book value					
At 1.1.2011	438	166	161	93	858
Additions	167	26	-	6	199
Written off	(36)	-	-	-	(36)
Depreciation charge	(117)	(42)	(65)	(26)	(250)
At 30.6.2012/1.7.2012	452	150	96	73	771
Additions	12	106	-	-	118
Disposals	-	(43)	-	-	(43)
Depreciation charge	(56)	(50)	(21)	(14)	(141)
At 30.6.2013/1.7.2013	408	163	75	59	705
Additions	11	11	-	-	22
Written off	(39)	(22)	(8)	(27)	(96)
Depreciation charge	(56)	(59)	(16)	(11)	(142)
At 30.6.2014	324	93	51	21	489

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.3 DUNIA SETULIN (CONT'D)

6.3.8 EQUIPMENT (CONT'D)

	Kitchen equipment and tools RM'000	Office equipment, furniture and fittings RM'000	Office renovation and electrical installation RM'000	Signboard and menuboard RM'000	Total RM'000
At 30.6.2012					
At cost	554	367	805	253	1,979
Accumulated depreciation	(102)	(217)	(709)	(180)	(1,208)
Net book value	452	150	96	73	771
At 30.6.2013					
At cost	566	305	805	143	1,819
Accumulated depreciation	(158)	(142)	(730)	(84)	(1,114)
Net book value	408	163	75	59	705
At 30.6.2014					
At cost	516	242	172	83	1,013
Accumulated depreciation	(192)	(149)	(121)	(62)	(524)
Net book value	324	93	51	21	489

13. ACCOUNTANTS' REPORT (Cont'd)



Crowe Horwath™

6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.3 DUNIA SETULIN (CONT'D)

6.3.9 INVENTORIES

	FPE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
At cost:-			
Food and beverages	228	216	166

None of the inventories is carried at net realisable value.

6.3.10 SHARE CAPITAL

	FPE 30.6.2012 RM	FYE 30.6.2013 RM	FYE 30.6.2014 RM
ORDINARY SHARES OF RM1 EACH:-			
AUTHORISED	500,000	500,000	500,000
ISSUED AND FULLY PAID-UP	450,000	450,000	450,000

6.3.11 RETAINED PROFITS

Under the single tier tax system, tax on Dunia Setulin's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.3 DUNIA SETULIN (CONT'D)

6.3.12 DEFERRED TAX LIABILITY

	FPE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
At 1 January/1 July	102	138	117
Recognised in profit or loss (Note 6.3.7)	36	(21)	(41)
At 30 June	138	117	76

The deferred tax liability relates to accelerated capital allowances on the qualifying cost of capital expenditure.

6.3.13 TRADE PAYABLES

The normal trade credit term granted to Dunia Setulin is 30 days.

6.3.14 OTHER PAYABLES AND ACCRUALS

	FPE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Other payables	119	114	96
Accruals	225	219	164
	344	333	260

6.3.15 AMOUNT OWING TO A RELATED PARTY

The amount owing is trade in nature, unsecured, interest-free and to be settled in cash. The normal trade credit term granted to Dunia Setulin is 30 days.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.3 DUNIA SETULIN (CONT'D)

6.3.16 DIVIDENDS

	FPE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
In respect of the FPE 30.6.2012:			
- an interim single tier dividend of approximately RM3.33 per ordinary share	1,500	-	-
In respect of the FYE 30.6.2013:			
- a first interim single tier dividend of approximately RM2.22 per ordinary share	-	1,000	-
- a second interim single tier dividend of approximately RM0.67 per ordinary share	-	300	-
	1,500	1,300	-

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.3 DUNIA SETULIN (CONT'D)

6.3.17 RELATED PARTY DISCLOSURES

(a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, Dunia Setulin has related party relationships with its directors, key management personnel and entities controlled by certain key management personnel, its holding company and related companies.

(b) Other than those disclosed elsewhere in the financial statements, Dunia Setulin also carried out the following significant transactions with the related parties during the financial year/period:-

	FPE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Related companies			
(FPE 30.6.2012 and FYE 30.6.2013 -			
Entities controlled by certain key			
management personnel)*:-			
Rental expense	58	39	-
Entities controlled by certain key			
management personnel):-			
Purchases	2,892	2,110	1,537
Advertisement and promotional expenses	404	300	225
Purchase of equipment	-	7	-
Royalty fees	-	-	157
Purchase of staff uniform	-	-	6

Note:

* - In previous financial years, the relationships of Dunia Setulin with the entities are that of related parties.

During the current financial year, Dunia Setulin became a subsidiary of OWG and has related company relationships with the fellow subsidiaries of OWG.

13. ACCOUNTANTS' REPORT (Cont'd)

**Crowe Horwath™****6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.3 DUNIA SETULIN (CONT'D)****6.3.18 FINANCIAL INSTRUMENTS**

Dunia Setulin's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. Dunia Setulin's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Dunia Setulin's financial performance.

(a) Financial Risk Management Policies

The policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk**(i) Foreign Currency Risk**

Dunia Setulin does not have any transactions or balances denominated in foreign currencies and hence are not exposed to foreign currency risk.

(ii) Interest Rate Risk

Dunia Setulin does not have any interest-bearing borrowings or fixed deposits and hence is not exposed to interest rate risk.

(iii) Equity Price Risk

Dunia Setulin does not have any quoted investments and hence is not exposed to equity price risk.

(ii) Credit Risk

Dunia Setulin does not have any major concentration of credit risk related to any individual customer or counterparty.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.3 DUNIA SETULIN (CONT'D)

6.3.18 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. Dunia Setulin practises prudent risk management by maintaining sufficient cash and bank balances.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed based on the rate at the end of the reporting period):-

	EFFECTIVE INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	OVER 5 YEARS RM'000
FPE 30.6.2012						
Trade payables	-	245	245	245	-	-
Other payables and accruals	-	344	344	344	-	-
Amount owing to a related party	-	168	168	168	-	-
		757	757	757	-	-
FYE 30.6.2013						
Trade payables	-	241	241	241	-	-
Other payables and accruals	-	333	333	333	-	-
Amount owing to a related party	-	540	540	540	-	-
		1,114	1,114	1,114	-	-
FYE 30.6.2014						
Trade payables	-	257	257	257	-	-
Other payables and accruals	-	260	260	260	-	-
Amount owing to a related party	-	545	545	545	-	-
		1,062	1,062	1,062	-	-

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.3 DUNIA SETULIN (CONT'D)

6.3.18 FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management

Dunia Setulin manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, Dunia Setulin may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

Dunia Setulin manages its capital based on debt-to-equity ratio. Dunia Setulin's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as interest-bearing borrowings less cash and cash equivalents.

The debt-to-equity ratio of Dunia Setulin as at the end of the reporting period is not presented as it had no interest-bearing bank borrowings.

(c) Classification of Financial Instruments

	FPE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Financial Asset			
<u>Loans and receivables financial assets</u>			
Deposits	181	181	127
Cash and bank balances	956	1,399	2,295
	1,137	1,580	2,422
Financial Liability			
<u>Other financial liabilities</u>			
Trade payables	245	241	257
Other payables and accruals	344	333	260
Amount owing to a related party	168	540	545
	757	1,114	1,062

(d) Fair Value Information

At the end of the reporting period, there were no financial instruments carried at fair values.

The fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The fair values are determined by discounting the relevant cash flows at rates equal to the current market interest rate plus appropriate credit rating, where necessary. The fair values are included in level 2 of the fair value hierarchy.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK

6.4.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTE	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Revenue	6.4.5	7,015	9,734	7,438
Cost of sales		(5,473)	(7,927)	(6,474)
GP		1,542	1,807	964
Other income		972	46	35
Administrative expenses		2,514	1,853	999
Other operating expenses		(1,302)	(1,630)	(1,194)
Finance costs		(107)	(128)	(121)
		(41)	(60)	(82)
PBT/(LBT)	6.4.6	1,064	35	(398)
Income tax expense	6.4.7	(43)	(238)	97
PAT/(LAT)		1,021	(203)	(301)
Other comprehensive income, net of tax:				
- Revaluation of property and equipment		358	-	-
Total comprehensive income/ (expense) for the financial year		1,379	(203)	(301)
PAT/(LAT) attributable to:- Owners of the Company		1,021	(203)	(301)
Total comprehensive income/ (expense) attributable to:- Owners of the Company		1,379	(203)	(301)
PAT/(LAT)		1,021	(203)	(301)
Income tax expense		43	238	(97)
PBT/(LBT)		1,064	35	(398)
Depreciation		107	128	121
Interest expense		41	62	82
Interest income		(11)	(24)	(23)
Earnings/(Loss) before interest, taxation, depreciation and amortisation		1,201	201	(218)

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	FYE 30.6.2012	FYE 30.6.2013	FYE 30.6.2014
<i>GP margin (%)</i>	21.98	18.56	12.96
<i>PBT/(LBT) margin (%)</i>	15.17	0.36	(5.35)
<i>PAT/(LAT) margin (%)</i>	14.55	(2.09)	(4.05)
<i>Effective tax rate (%)</i>	4.04	680.00	24.37
<i>Weighted average number of ordinary shares</i>	100,000	100,000	100,000
<i>Gross EPS/(LPS) (RM)*</i>	10.64	0.35	(3.98)
<i>Net EPS/(LPS) (RM)*</i>	10.21	(2.03)	(3.01)

Note:-

- * - The Gross EPS/(LPS) and Net EPS/(LPS) were computed by dividing the PBT/(LBT) and PAT/(LAT) respectively by the number of ordinary shares in issue during the Relevant Financial Period.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.2 STATEMENTS OF FINANCIAL POSITION

	NOTE	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
ASSETS				
NON-CURRENT ASSETS				
Property and equipment	6.4.8	2,033	3,746	3,749
Deferred tax assets	6.4.9	-	-	48
		<u>2,033</u>	<u>3,746</u>	<u>3,797</u>
CURRENT ASSETS				
Inventories	6.4.10	310	510	280
Trade receivables	6.4.11	5	1	-
Other receivables, deposits and prepayments	6.4.12	7	9	2
Amount owing by related parties	6.4.13	2,605	412	-
Tax refundable		174	63	51
Deposits with a licensed bank	6.4.14	1,100	950	-
Cash and bank balances		566	921	1,997
		<u>4,767</u>	<u>2,866</u>	<u>2,330</u>
TOTAL ASSETS		<u>6,800</u>	<u>6,612</u>	<u>6,127</u>

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)
 6.4 KCK (CONT'D)
 6.4.2 STATEMENTS OF FINANCIAL POSITION (CONT'D)

	NOTE	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
EQUITY AND LIABILITIES				
EQUITY				
Share capital	6.4.15	100	100	100
Revaluation reserve	6.4.16	358	358	358
Retained profits	6.4.17	3,983	3,780	3,479
TOTAL EQUITY		4,441	4,238	3,937
NON-CURRENT LIABILITIES				
Term loans	6.4.18	812	1,646	1,566
Deferred tax liabilities	6.4.9	44	44	-
		856	1,690	1,566
CURRENT LIABILITIES				
Trade payables	6.4.19	665	518	460
Other payables, deposits received and accruals	6.4.20	135	87	81
Amount owing to related parties	6.4.13	646	-	-
Short-term borrowings	6.4.21	57	79	83
		1,503	684	624
TOTAL LIABILITIES		2,359	2,374	2,190
TOTAL EQUITY AND LIABILITIES		6,800	6,612	6,127
<i>Weighted average number of ordinary shares</i>		100,000	100,000	100,000
<i>NA (RM'000)</i>		4,441	4,238	3,937
<i>NA per ordinary share (RM)</i>		44.41	42.38	39.37
<i>Trade receivables turnover period (days)</i>		0.26	0.04	-
<i>Trade payables turnover period (days)</i>		44.35	23.85	25.93
<i>Gearing ratio (times)</i>		0.20	0.41	0.42

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.3 STATEMENTS OF CASH FLOWS

NOTE	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES			
PBT/(LBT)	1,064	35	(398)
Adjustments for:-			
Allowance for impairment losses on receivables	-	-	7
Depreciation of property and equipment	107	128	121
Interest expense	41	62	82
Interest income	(11)	(24)	(23)
Waiver of debts by a related party	(952)	-	-
Operating profit/(loss) before working capital changes	249	201	(211)
Decrease/(Increase) in inventories	13	(200)	230
(Increase)/Decrease in trade and other receivables	(1)	2	1
Increase/(Decrease) in trade and other payables	358	(195)	(64)
Decrease in amount owing by related parties	1,938	138	-
Increase/(Decrease) in amount owing to related parties	70	(71)	-
CASH FROM/(FOR) OPERATIONS	2,627	(125)	(44)
Income tax paid	-	(127)	(81)
Income tax refunded	18	-	98
Interest paid	(41)	(62)	(82)
NET CASH FROM/(FOR) OPERATING ACTIVITIES CARRIED FORWARD	2,604	(314)	(109)

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.3 STATEMENTS OF CASH FLOWS (CONT'D)

	NOTE	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
NET CASH FROM/(FOR) OPERATING ACTIVITIES BROUGHT FORWARD		2,604	(314)	(109)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES				
Repayment from a related company		-	-	412
Purchase of property and equipment		(101)	(1,841)	(124)
Interest received		11	24	23
(Advances to)/Repayment from related parties		(2,432)	2,055	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(2,522)	238	311
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES				
Advances from/(Repayment to) related parties		1,154	(575)	-
Repayment of hire purchase obligations		(19)	(10)	-
Drawdown of term loan		-	930	-
Repayment of term loan		(45)	(64)	(76)
NET CASH FROM/(FOR) FINANCING ACTIVITIES		1,090	281	(76)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,172	205	126
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		494	1,666	1,871
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	6.4.23	1,666	1,871	1,997

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.4 STATEMENTS OF CHANGES IN EQUITY

	SHARE CAPITAL RM'000	NON- DISTRIBUTABLE REVALUATION RESERVE RM'000	DISTRIBUTABLE RETAINED PROFITS RM'000	TOTAL RM'000
Balance at 1.7.2011	100	-	2,962	3,062
PAT	-	-	1,021	1,021
Other comprehensive income, net of tax:				
- Revaluation of property and equipment	-	358	-	358
Total comprehensive income for the financial year	-	358	1,021	1,379
Balance at 30.6.2012/1.7.2012	100	358	3,983	4,441
LAT/Total comprehensive expenses for the financial year	-	-	(203)	(203)
Balance at 30.6.2013/1.7.2013	100	358	3,780	4,238
LAT/Total comprehensive expenses for the financial year	-	-	(301)	(301)
Balance at 30.6.2014	100	358	3,479	3,937

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.5 REVENUE

Revenue represents the invoiced value of goods sold less discounts and returns.

6.4.6 PBT/(LBT)

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
PBT/(LBT) is arrived at after charging/(crediting):-			
Allowance for impairment losses on receivables	-	-	7
Audit fee:			
- for the financial year	11	15	15
- underprovision in the previous financial year	1	2	-
Depreciation of property and equipment	107	128	121
Director's non-fee emoluments:			
- salaries	36	18	-
- defined contribution plan	5	4	-
Interest expense:			
- hire purchase	4	-	-
- term loans	37	62	82
Rental of office	314	252	157
Staff costs:			
- salaries, wages, bonuses and allowances	436	845	576
- defined contribution plan	28	62	50
- other benefits	54	47	107
Interest income	(11)	(24)	(23)
Waiver of debts by a related party	(952)	-	-

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.7 INCOME TAX EXPENSE

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Current tax expense:			
- for the financial year	48	28	-
- (over)/underprovision in the previous financial year	(5)	210	(5)
	<u>43</u>	<u>238</u>	<u>(5)</u>
Deferred tax expense (Note 6.4.9):			
- relating to origination and reversal of temporary differences	-	-	(79)
- overprovision in the previous financial year	-	-	(13)
	<u>-</u>	<u>-</u>	<u>(92)</u>
	<u>43</u>	<u>238</u>	<u>(97)</u>

During the Relevant Financial Period, the statutory tax rate is 25%.

The corporate tax rate on the first RM500,000 of chargeable income is 20%. The tax rate applicable to the balance of the chargeable income is 25%.

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment of 2016.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.7 INCOME TAX EXPENSE (CONT'D)

A reconciliation of the income tax expense applicable to the PBT/(LBT) at the statutory tax rate to income tax expense at the effective tax rate of KCK is as follows:-

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
PBT/(LBT)	1,064	35	(398)
Tax at the statutory tax rate of 25%	266	9	(100)
Tax effects of:-			
Non-deductible expenses	26	21	21
Non-taxable gain	(238)	-	-
Differential in tax rates	(6)	(2)	-
(Over)/Underprovision in the previous financial year:			
- current tax	(5)	210	(5)
- deferred tax	-	-	(13)
Income tax expense for the financial year	43	238	(97)

13. ACCOUNTANTS' REPORT (Cont'd)



Crowe Horwath™

6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.8 PROPERTY AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Operating equipment RM'000	Renovation RM'000	Capital work-in- progress RM'000	Total RM'000
Net book value								
At 1.7.2011	1,132	309	60	23	127	-	-	1,651
Additions	-	-	-	-	14	-	87	101
Revaluation surplus	268	120	-	-	-	-	-	388
Depreciation charge	-	(29)	(33)	(8)	(37)	-	-	(107)
At 30.6.2012/1.7.2012	1,400	400	27	15	104	-	87	2,033
Additions	1,268	428	-	-	12	133	-	1,841
Reclassification	-	-	-	-	-	87	(87)	-
Depreciation charge	-	(14)	(27)	(6)	(37)	(44)	-	(128)
At 30.6.2013/1.7.2013	2,668	814	-	9	79	176	-	3,746
Additions	-	-	-	1	123	-	-	124
Depreciation charge	-	(17)	-	(4)	(56)	(44)	-	(121)
At 30.6.2014	2,668	797	-	6	146	132	-	3,749

13. ACCOUNTANTS' REPORT (Cont'd)



Crowe Horwath™

6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.8 PROPERTY AND EQUIPMENT (CONT'D)

	Freehold land RM'000	Building RM'000	Motor vehicles RM'000	Kitchen utensils and crockery RM'000	Furniture and fittings RM'000	Operating equipment RM'000	Renovation RM'000	Capital work-in- progress RM'000	Total RM'000
At 30.6.2012									
At cost	-	-	162	8	47	353	-	87	657
At valuation	1,400	400	-	-	-	-	-	-	1,800
Accumulated depreciation	-	-	(135)	(8)	(32)	(249)	-	-	(424)
Net book value	1,400	400	27	-	15	104	-	87	2,033
At 30.6.2013									
At cost	1,268	428	162	8	47	365	221	-	2,499
At valuation	1,400	400	-	-	-	-	-	-	1,800
Accumulated depreciation	-	(14)	(162)	(8)	(38)	(286)	(45)	-	(553)
Net book value	2,668	814	-	-	9	79	176	-	3,746
At 30.6.2014									
At cost	1,268	428	162	8	48	488	221	-	2,623
At valuation	1,400	400	-	-	-	-	-	-	1,800
Accumulated depreciation	-	(31)	(162)	(8)	(42)	(342)	(89)	-	(674)
Net book value	2,668	797	-	-	6	146	132	-	3,749

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.8 PROPERTY AND EQUIPMENT (CONT'D)

Included in the net book value of property and equipment at the end of the reporting period were the following assets acquired under hire purchase terms:-

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Motor vehicles	14	-	-

The freehold land and buildings have been pledged to a licensed bank as security for banking facilities granted to KCK.

The net book value of the buildings at the end of the reporting period, had this asset been carried at cost less accumulated depreciation would have as follows:-

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Cost	324	751	751
Accumulated depreciation	(44)	(57)	(71)
At 30 June	280	694	680

KCK revalued the freehold land and buildings at the end of FYE 30.6.2012 using the open market value basis based on a valuation carried out by an independent firm of professional valuers. The deferred tax on the revaluation surplus has been accounted for in the financial statements as disclosed in Note 6.4.9 in this report.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.9 DEFERRED TAX ASSETS/(LIABILITIES)

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
At 1 July	(14)	(44)	(44)
Recognised in profit or loss (Note 6.4.7)	-	-	92
Deferred taxation arising from the revaluation surplus of property (Note 6.4.16)	(30)	-	-
At 30 June	<u>(44)</u>	<u>(44)</u>	<u>48</u>

The deferred tax assets/(liabilities) recognised at the end of the reporting period are as follows:-

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Deferred tax assets:-			
Unabsorbed capital allowance	-	-	16
Unutilised tax losses	-	-	64
	<u>-</u>	<u>-</u>	<u>80</u>
Deferred tax liabilities:-			
Accelerated capital allowances over depreciation	(14)	(14)	(2)
Revaluation of property	(30)	(30)	(30)
	<u>(44)</u>	<u>(44)</u>	<u>(32)</u>
	<u>(44)</u>	<u>(44)</u>	<u>48</u>

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.10 INVENTORIES

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
At cost:-			
Food and beverages	115	179	135
Packing materials and consumables	195	331	145
	310	510	280

None of the inventories is carried at net realisable value.

6.4.11 TRADE RECEIVABLES

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Trade receivable	5	- 1	1
Allowance for impairment losses	-	-	(1)
	5	1	-
Allowance for impairment losses:-			
At 1 July	-	-	-
Addition during the financial year	-	-	(1)
At 30 June	-	-	(1)

KCK's normal trade credit terms range from 30 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.12 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Other receivables	5	5	5
Allowance for impairment losses	-	-	(5)
	5	5	-
Deposits	2	4	2
Prepayments	#	#	#
	7	9	2
Allowance for impairment losses:-			
At 1 July	(3)	-	-
Written off during the financial year	3	-	(5)
At 30 June	-	-	(5)

Note:-

- Less than RM500.

6.4.13 AMOUNTS OWING BY/(TO) RELATED PARTIES

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Amount owing by:-			
Trade balances	138	-	-
Non-trade balances	2,467	412	-
	2,605	412	-
Amount owing to:-			
Trade balances	(71)	-	-
Non-trade balances	(575)	-	-
	(646)	-	-

The trade balances are subject to KCK's normal trade credit term of 30 days. Other credit terms are assessed and approved on a case-by-case basis.

The non-trade balances are unsecured, interest-free and repayable on demand.

The amounts owing are to be settled in cash.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.14 DEPOSITS WITH A LICENSED BANK

The deposits with a licensed bank at the end of the reporting period bore effective interest rates as follows:-

	FYE 30.6.2012	FYE 30.6.2013	FYE 30.6.2014
Effective interest rate per annum (%)	2.65 - 2.70	2.50	-

The deposits have maturity periods as follows:-

	FYE 30.6.2012	FYE 30.6.2013	FYE 30.6.2014
Maturity period (days)	19 - 26	6 - 11	-

13. ACCOUNTANTS' REPORT (Cont'd)



Crowe Horwath™

6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.15 SHARE CAPITAL

	FYE 30.6.2012	FYE 30.6.2013	FYE 30.6.2014	FYE 30.6.2012	FYE 30.6.2013	FYE 30.6.2014
	Number of Shares			RM		
ORDINARY SHARES OF RM1 EACH:-						
AUTHORISED	100,000	100,000	100,000	100,000	100,000	100,000
ISSUED AND FULLY PAID-UP	100,000	100,000	100,000	100,000	100,000	100,000

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.16 REVALUATION RESERVE

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
At 1 July	-	358	358
Arising from revaluation surplus on property during the financial year (Note 6.4.8)	388	-	-
Deferred taxation on revaluation surplus (Note 6.4.9)	(30)	-	-
At 30 June	<u>358</u>	<u>358</u>	<u>358</u>

The revaluation reserve represents the surplus arising from the revaluation of the freehold land and building and is not distributable by way of cash dividends.

6.4.17 RETAINED PROFITS

Under the single tier tax system, tax on KCK's profit is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.18 TERM LOANS

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Current portion (Note 6.4.21):			
- not later than one year	47	79	83
Non-current portion:			
- later than one year and not later than two years	49	83	86
- later than two years and not later than five years	159	270	282
- later than five years	604	1,293	1,198
Total non-current portion	812	1,646	1,566
	859	1,725	1,649

Details of term loans outstanding at the end of the reporting period are as follows:

Term loan	Number of monthly instalments	Monthly instalment amount RM'000	Date of commencement of repayment	Amount outstanding		
				FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
1	180	7	May 2011	859	812	774
2	240	6	January 2013	-	913	875
				859	1,725	1,649

The term loans are secured by:-

- a first party legal charge over the freehold land and building as disclosed in Note 6.4.8 in this report; and
- a joint and several guarantee of all the directors of KCK.

The weighted average effective interest rate per annum of the term loan at the end of the reporting period is as follows:-

	FYE 30.6.2012	FYE 30.6.2013	FYE 30.6.2014
Weighted average effective interest rate per annum (%)	4.20	4.31	4.31

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.19 TRADE PAYABLES

The normal trade credit term granted to KCK is 30 days.

6.4.20 OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Other payables	88	52	53
Deposit received	8	9	-
Accruals	39	26	28
	<u>135</u>	<u>87</u>	<u>81</u>

6.4.21 SHORT-TERM BORROWINGS

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Term loans (Note 6.4.18)	47	79	83
Hire purchase payables (Note 6.4.22)	10	-	-
	<u>57</u>	<u>79</u>	<u>83</u>

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.22 HIRE PURCHASE PAYABLES

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Minimum hire purchase payments: - not later than one year	10	-	-
Less: Future finance charges	-	-	-
Present value of hire purchase payables	10	-	-
Current (Note 6.4.21): - not later than one year	10	-	-

The effective interest rates per annum of the hire purchase payables at the end of the reporting period are as follows:

	FYE 30.6.2012	FYE 30.6.2013	FYE 30.6.2014
Effective interest rate per annum (%)	6.39	-	-

6.4.23 CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Deposits with a licensed bank (Note 6.4.14)	1,100	950	-
Cash and bank balances	566	921	1,997
	1,666	1,871	1,997

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.24 RELATED PARTY DISCLOSURES

(a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, KCK has related party relationships with its directors, key management personnel, entities controlled by certain key management personnel, its holding company and related companies.

(b) Other than those disclosed elsewhere in the financial statements, KCK also carried out the following significant transactions with the related parties during the financial year:-

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Entities controlled by certain key management personnel:-			
Sales	288	181	109
Related companies (FYE 30.6.2012 and FYE 30.6.2013 - Entities controlled by certain key management personnel)*:-			
Sales	6,724	9,499	7,210
Purchases	71	-	-
Rental paid/payable	314	252	157
Staff meal paid/payable	-	-	19
Waiver of debts	952	-	-

Note:

* - In previous financial years, the relationships of KCK with the entities are that of related parties.

During the current financial year, KCK became a subsidiary of OWG and has related company relationships with the fellow subsidiaries of OWG.

(c) Key management personnel compensation:-

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Short-term employee benefits	41	23	-

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.25 CAPITAL COMMITMENT

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Approved and contracted for:-			
Purchase of property and equipment	131	-	-

6.4.26 FINANCIAL INSTRUMENTS

KCK's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. KCK's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on KCK's financial performance.

(a) Financial Risk Management Policies

The policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

KCK does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. KCK's exposure to interest rate risk arises mainly from its interest-bearing financial assets and liabilities. KCK's policy is to obtain the most favourable interest rate available. Any surplus funds of KCK will be placed with licensed financial institutions to generate interest income.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.26 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Exposure to interest rate risk

The interest rate profile of KCK's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:-

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Fixed rate instruments			
Deposits with a licensed bank	1,100	950	-
Hire purchase payables	(10)	-	-
	<u>1,090</u>	<u>950</u>	<u>-</u>
Floating rate instrument			
Term loans	(859)	(1,725)	(1,649)

Interest rate risk sensitivity analysis

The interest rate risk sensitivity analysis on the fixed rate instrument is not disclosed as this financial instrument is measured at amortised cost.

The following table details the sensitivity analysis on the floating rate instrument to a reasonably possible change in the interest rate as at the end of the reporting period, with all other variables held constant:-

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Effect on profit after taxation/ equity			
Increase of 100 basis points	(6)	(13)	(12)
Decrease of 100 basis points	6	13	12

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.26 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(iii) Equity Price Risk

KCK does not have any quoted investments and hence is not exposed to equity price risk.

(ii) Credit Risk

KCK's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. KCK manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

KCK establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

KCK's major concentration of credit risk relates to the amount owing by customers as at the end of the reporting period. The percentage of concentration of credit risk over its total receivables as at the end of the reporting period are as follows:

	FYE 30.6.2012	FYE 30.6.2013	FYE 30.6.2014
Number of receivables	2	1	-
Percentage	96%	96%	-

Exposure to credit risk

As KCK does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

KCK does not have exposure to international credit risk as the entire trade receivables (including amount owing by related parties) are concentrated in Malaysia.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.26 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Ageing analysis

The ageing analysis of KCK's trade receivables (including amount owing by related parties) as at the end of the reporting period as follows:-

	GROSS AMOUNT RM'000	INDIVIDUAL IMPAIRMENT RM'000	COLLECTIVE IMPAIRMENT RM'000	CARRYING VALUE RM'000
FYE 30.6.2012				
Not past due	71	-	-	71
Past due:				
- less than 3 months	40	-	-	40
- 3 to 6 months	2	-	-	2
- over 6 months	30	-	-	30
	143	-	-	143
Represented by:-				
Trade receivables	5	-	-	5
Amount owing by related parties:				
- trade balances	138	-	-	138
	143	-	-	143
FYE 30.6.2013				
Not past due	-	-	-	-
Past due:				
- less than 3 months	-	-	-	-
- 3 to 6 months	-	-	-	-
- over 6 months	1	-	-	1
	1	-	-	1
Represented by:-				
Trade receivables	1	-	-	1

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.26 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Ageing analysis (Cont'd)

	GROSS AMOUNT RM'000	INDIVIDUAL IMPAIRMENT RM'000	COLLECTIVE IMPAIRMENT RM'000	CARRYING VALUE RM'000
FYE 30.6.2014				
Not past due	-	-	-	-
Past due:				
- less than 3 months	-	-	-	-
- 3 to 6 months	-	-	-	-
- over 6 months	1	(1)	-	-
	1	(1)	-	-
Represented by:-				
Trade receivables	1	(1)	-	-

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

Trade receivables that are past due but not impaired

KCK believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with KCK. KCK uses ageing analysis to monitor the credit quality of the trade receivables.

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. KCK practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.26 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed based on the rate at the end of the reporting period):-

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	OVER 5 YEARS RM'000
FYE 30.6.2012						
Trade payables	-	665	665	665	-	-
Other payables, deposits received and accruals	-	135	135	135	-	-
Amount owing to related parties	-	646	646	646	-	-
Hire purchase payables	6.39	10	10	10	-	-
Term loan	4.20	859	1,133	82	328	723
		2,315	2,589	1,538	328	723
FYE 30.6.2013						
Trade payables	-	518	518	518	-	-
Other payables, deposits received and accruals	-	87	87	87	-	-
Term loans	4.31	1,725	2,415	152	607	1,656
		2,330	3,020	757	607	1,656
FYE 30.6.2014						
Trade payables	-	460	460	460	-	-
Other payables, deposits received and accruals	-	81	81	81	-	-
Term loans	4.31	1,649	2,264	152	607	1,505
		2,190	2,805	693	607	1,505

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.26 FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management

KCK manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, KCK may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

KCK manages its capital based on debt-to-equity ratio. KCK's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as interest-bearing borrowings less cash and cash equivalents.

The debt-to-equity ratio as at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total interest-bearing borrowings.

(c) Classification of Financial Instruments

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Financial Asset			
<u>Loans and receivables financial assets</u>			
Trade receivables	5	1	-
Other receivables and deposits	7	9	2
Amount owing by related parties	2,605	412	-
Deposits with a licensed bank	1,100	950	-
Cash and bank balances	566	921	1,997
	4,283	2,293	1,999

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.4 KCK (CONT'D)

6.4.26 FINANCIAL INSTRUMENTS (CONT'D)

(b) Classification of Financial Instruments (Cont'd)

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Financial Liability			
<u>Other financial liabilities</u>			
Trade payables	665	518	460
Other payables, deposits received and accruals	135	87	81
Amount owing to related parties	646	-	-
Hire purchase payables	10	-	-
Term loans	859	1,725	1,649
	<u>2,315</u>	<u>2,330</u>	<u>2,190</u>

(d) Fair Value Information

At the end of the reporting period, there were no financial instruments carried at fair values.

The fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The fair values are determined by discounting the relevant cash flows at rates equal to the current market interest rate plus appropriate credit rating, where necessary. The fair values are included in level 2 of the fair value hierarchy.

The fair values of the non-current portion of term loans equal their carrying amounts as the impact of discounting is not material. The fair values are determined on cash flows discounted using the current market interest rate and are within level 2 of the fair value hierarchy.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.5 KOTA TINGGI RESORTS

6.5.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTE	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Revenue	6.5.5	2,217	2,155	2,269
Cost of sales		(910)	(948)	(836)
GP		1,307	1,207	1,433
Other income		47	40	103
		1,354	1,247	1,536
Selling and distribution expenses		(3)	(9)	(12)
Administrative expenses		(998)	(1,121)	(1,318)
Other operating expenses		(83)	(22)	(21)
Finance costs		-	-	(2)
PBT	6.5.6	270	95	183
Income tax expense	6.5.7	(58)	(26)	(16)
PAT		212	69	167
Other comprehensive income		-	-	-
Total comprehensive income income for the financial year		212	69	167
PAT attributable to:- Owners of the Company		212	69	167
Total comprehensive income attributable to:- Owners of the Company		212	69	167
PAT		212	69	167
Income tax expense		58	26	16
PBT		270	95	183
Depreciation		413	416	409
Interest expense		-	-	2
Interest income		(1)	(4)	(32)
Earnings before interest, taxation, depreciation and amortisation		682	507	562

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.5 KOTA TINGGI RESORTS (CONT'D)

6.5.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	FYE 30.6.2012	FYE 30.6.2013	FYE 30.6.2014
<i>GP margin (%)</i>	58.95	56.01	63.16
<i>PBT margin (%)</i>	12.18	4.41	8.07
<i>PAT margin (%)</i>	9.56	3.20	7.36
<i>Effective tax rate (%)</i>	21.48	27.37	8.74
<i>Weighted average number of ordinary shares</i>	2,000,000	2,000,000	2,000,000
<i>Gross EPS (RM)*</i>	0.14	0.05	0.09
<i>Net EPS (RM)*</i>	0.11	0.03	0.08

Note:-

- * - The Gross EPS and Net EPS were computed by dividing the PBT and PAT respectively by the number of ordinary shares in issue during the Relevant Financial Period.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.5 KOTA TINGGI RESORTS (CONT'D)

6.5.2 STATEMENTS OF FINANCIAL POSITION

	NOTE	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
ASSETS				
NON-CURRENT ASSET				
Property and equipment	6.5.8	3,297	2,884	2,533
CURRENT ASSETS				
Inventories	6.5.9	48	75	46
Trade receivables	6.5.10	-	-	-
Other receivables, deposits and prepayments	6.5.11	16	42	68
Amount owing by related companies	6.5.12	-	-	-
Tax refundable		186	185	1
Deposits with licensed banks	6.5.13	-	974	1,041
Cash and bank balances		694	274	750
		944	1,550	1,906
TOTAL ASSETS		4,241	4,434	4,439

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.5 KOTA TINGGI RESORTS (CONT'D)

6.5.2 STATEMENTS OF FINANCIAL POSITION (CONT'D)

	NOTE	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
EQUITY AND LIABILITY				
EQUITY				
Share capital	6.5.14	2,000	2,000	2,000
Capital reserve	6.5.15	300	300	300
Retained profits	6.5.16	1,718	1,787	1,954
TOTAL EQUITY		4,018	4,087	4,254
CURRENT LIABILITIES				
Trade payables	6.5.17	21	8	4
Other payables and accruals	6.5.18	201	315	181
Amount owing to related parties	6.5.19	-	24	-
Term loan	6.5.20	1	-	-
		223	347	185
TOTAL LIABILITY		223	347	185
TOTAL EQUITY AND LIABILITY		4,241	4,434	4,439
<i>Weighted average number of ordinary shares</i>		2,000,000	2,000,000	2,000,000
<i>NA (RM'000)</i>		4,018	4,087	4,254
<i>NA per ordinary share (RM)</i>		2.01	2.04	2.13
<i>Trade payables turnover period (days)</i>		8.42	3.08	1.75

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.5 KOTA TINGGI RESORTS (CONT'D)

6.5.3 STATEMENTS OF CASH FLOWS

	NOTE	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
PBT		270	95	183
Adjustments for:-				
Allowance for impairment losses on receivables		83	22	-
Bad debts written off		-	-	21
Depreciation of property and equipment		413	416	409
Interest expense		-	-	2
Interest income		(1)	(4)	(32)
Operating profit before working capital changes		765	529	583
(Increase)/Decrease in inventories		(2)	(27)	29
Increase in trade and other receivables		(72)	(48)	(47)
(Decrease)/Increase in trade and other payables		(245)	101	(138)
Decrease in amount owing to a related company		-	-	(18)
Increase in amount owing to related parties		-	18	-
CASH FROM OPERATIONS		446	573	409
Income tax paid		(26)	(25)	(25)
Income tax refunded		-	-	193
Interest paid		-	-	(2)
NET CASH FROM OPERATING ACTIVITIES CARRIED FORWARD		420	548	575

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.5 KOTA TINGGI RESORTS (CONT'D)

6.5.3 STATEMENTS OF CASH FLOWS (CONT'D)

	NOTE	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
NET CASH FROM OPERATING ACTIVITIES BROUGHT FORWARD		420	548	575
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES				
Repayment from holding company		61	-	-
Interest received		1	4	32
Purchase of property and equipment		(17)	(3)	(58)
NET CASH FROM/(FOR) INVESTING ACTIVITIES		45	1	(26)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES				
Repayment of term loan		(117)	(1)	-
Repayment to related companies		(14)	-	(6)
(Repayment to)/Advances from related parties		(19)	6	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(150)	5	(6)
NET INCREASE IN CASH AND EQUIVALENTS		315	554	543
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		379	694	1,248
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	6.5.21	694	1,248	1,791

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.5 KOTA TINGGI RESORTS (CONT'D)

6.5.4 STATEMENTS OF CHANGES IN EQUITY

	SHARE CAPITAL RM'000	CAPITAL RESERVE RM'000	RETAINED PROFITS RM'000	TOTAL RM'000
Balance at 1.7.2011	2,000	300	1,506	3,806
PAT/Total comprehensive income for the financial year	-	-	212	212
Balance at 30.6.2012/1.7.2012	2,000	300	1,718	4,018
PAT/Total comprehensive income for the financial year	-	-	69	69
Balance at 30.6.2013/1.7.2013	2,000	300	1,787	4,087
PAT/Total comprehensive income for the financial year	-	-	167	167
Balance at 30.6.2014	2,000	300	1,954	4,254

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.5 KOTA TINGGI RESORTS (CONT'D)

6.5.5 REVENUE

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
Entrance fees	1,393	1,409	1,326
Sale of goods	299	313	357
Rendering of services	525	433	586
	<u>2,217</u>	<u>2,155</u>	<u>2,269</u>

6.5.6 PBT

	FYE 30.6.2012 RM'000	FYE 30.6.2013 RM'000	FYE 30.6.2014 RM'000
PBT is arrived at after charging/(crediting):-			
Allowance for impairment losses on receivables	83	22	-
Audit fee:			
- for the financial year	12	16	16
- underprovision in the previous financial year	1	2	-
Bad debts written off	-	-	21
Depreciation of property, plant and equipment	413	416	409
Director's fee	3	7	-
Rental of equipment	2	11	1
Rental of premises	69	146	146
Staff costs:			
- salaries, wages, allowances and overtime	513	515	636
- defined contribution plan	34	38	48
- other benefits	36	38	52
Interest expense	-	-	2
Interest income	(1)	(4)	(32)