

# ONLY WORLD GROUP HOLDINGS BERHAD

(Company No.1033338-K)

## INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

### Contents

	<b>Page</b>
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income .....	1
Unaudited Condensed Consolidated Statement of Financial Position.....	2
Unaudited Condensed Consolidated Statement of Changes in Equity.....	3-4
Unaudited Condensed Consolidated Statement of Cash Flows.....	5
Notes to the Condensed Financial Statements.....	6

# ONLY WORLD GROUP HOLDINGS BERHAD (Company No.: 1033338-K)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR FIRST QUARTER ENDED 30 SEPTEMBER 2016

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30-Sep-2016	Preceding Year Corresponding Quarter 30-Sep-2015	Current Year To Date 30-Sep-2016	Preceding Year Corresponding Period 30-Sep-2015
		RM	RM	RM	RM
REVENUE		28,465,647	22,679,302	28,465,647	22,679,302
COST OF SALES		(19,472,524)	(13,470,703)	(19,472,524)	(13,470,703)
GROSS PROFIT		8,993,123	9,208,599	8,993,123	9,208,599
OTHER INCOME		156,955	639,085	156,955	639,085
		9,150,078	9,847,684	9,150,078	9,847,684
SELLING AND DISTRIBUTION EXPENSES		(718,526)	(245,951)	(718,526)	(245,951)
ADMINISTRATIVE EXPENSES		(4,502,578)	(4,696,470)	(4,502,578)	(4,696,470)
OTHER EXPENSES		(626,337)	(450,106)	(626,337)	(450,106)
PROFIT FROM OPERATIONS		3,302,637	4,455,157	3,302,637	4,455,157
FINANCE COSTS		(407,489)	(426,709)	(407,489)	(426,709)
PROFIT BEFORE TAXATION	<b>B5</b>	2,895,148	4,028,448	2,895,148	4,028,448
INCOME TAX EXPENSE	<b>B6</b>	(1,440,091)	(968,405)	(1,440,091)	(968,405)
PROFIT AFTER TAXATION		1,455,057	3,060,043	1,455,057	3,060,043
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		1,455,057	3,060,043	1,455,057	3,060,043
PROFIT AFTER TAXATION ATTRIBUTABLE TO :-					
- Owners of the Company		1,313,440	3,051,273	1,313,440	3,051,273
- Non-Controlling interests		141,617	8,770	141,617	8,770
		1,455,057	3,060,043	1,455,057	3,060,043
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
- Owners of the Company		1,313,440	3,051,273	1,313,440	3,051,273
- Non-Controlling interests		141,617	8,770	141,617	8,770
		1,455,057	3,060,043	1,455,057	3,060,043
Earnings per share (sen) attributable to Owners of the Company					
- Basic	<b>B13</b>	0.56 <sup>(1)</sup>	1.38 <sup>(2)</sup>	0.56 <sup>(1)</sup>	1.38 <sup>(2)</sup>
- Diluted		N/A	N/A	N/A	N/A

Notes:

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited Consolidated Financial Statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to these audited financial statements.

N/A Not applicable.

(1) Based on the issued and paid-up share capital of 233,999,990 ordinary shares.

(2) Based on the issued and paid-up share capital of 221,999,990 ordinary shares.

# ONLY WORLD GROUP HOLDINGS BERHAD (Company No.: 1033338-K)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

	UNAUDITED AS AT 30-SEP-2016	AUDITED AS AT 30-JUN-2016
Note	RM	RM
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	218,956,199	199,256,988
Goodwill on consolidation	4,319,440	4,319,440
Intangible asset	569,311	586,052
Prepaid land lease payments	50,342	50,500
Deferred tax assets	141,000	141,000
Other investment	375,000	375,000
	<u>224,411,292</u>	<u>204,728,980</u>
<b>CURRENT ASSETS</b>		
Inventories	3,030,556	2,916,834
Trade receivables	1,516,826	985,279
Other receivables, deposits and prepayments	15,998,661	16,272,558
Tax recoverable	3,440,494	3,348,555
Deposits with licensed banks	11,600,054	18,649,604
Cash and bank balances	5,930,678	14,526,918
	<u>41,517,269</u>	<u>56,699,748</u>
<b>TOTAL ASSETS</b>	<b><u>265,928,561</u></b>	<b><u>261,428,728</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	116,999,995	116,999,995
Share premium	20,481,554	20,481,554
Merger deficit	(56,777,171)	(56,777,171)
Revaluation reserve	9,538,719	9,538,719
Capital reserve	1,199,982	1,199,982
Retained profits	87,600,906	86,287,466
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<u>179,043,985</u>	<u>177,730,545</u>
NON-CONTROLLING INTERESTS	2,369,477	2,227,860
<b>TOTAL EQUITY</b>	<b><u>181,413,462</u></b>	<b><u>179,958,405</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	B9 53,963,984	46,789,818
Long-term advance	900,000	1,200,000
Deferred tax liabilities	2,371,929	2,206,929
Provision	488,861	488,862
	<u>57,724,774</u>	<u>50,685,609</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	2,746,965	3,704,901
Other payables, deposits received and accruals	10,826,106	16,887,302
Short-term borrowings	B9 7,371,992	8,728,541
Bank overdrafts	5,233,779	1,215,275
Provision for taxation	611,483	248,695
	<u>26,790,325</u>	<u>30,784,714</u>
<b>TOTAL LIABILITIES</b>	<b><u>84,515,099</u></b>	<b><u>81,470,323</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>265,928,561</u></b>	<b><u>261,428,728</u></b>
<b>Net assets per share (excluding non-controlling interests) (RM)</b>	<u>0.77<sup>(1)</sup></u>	<u>0.78<sup>(2)</sup></u>

**Notes:**

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited Consolidated Financial Statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to these audited financial statements

(1) Based on the issued and paid-up share capital of 233,999,990 ordinary shares.

(2) Based on the issued and paid-up share capital of 226,499,990 ordinary shares.

**ONLY WORLD GROUP HOLDINGS BERHAD** (Company No.: 1033338-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016**

(The figures have not been audited)

	<-----NON-DISTRIBUTABLE----->					DISTRIBUTABLE	ATTRIBUTABLE TO OWNERS OF THE GROUP RM	NON-CONTROLLING INTERESTS RM	TOTAL EQUITY RM
	SHARE CAPITAL RM	SHARE PREMIUM RM	MERGER DEFICIT RM	REVALUATION RESERVE RM	CAPITAL RESERVE RM	RETAINED PROFITS RM			
<b>At 1 July 2015 (audited)</b>	92,500,000	19,061,454	(56,777,171)	9,538,719	1,199,982	78,895,840	144,418,824	1,407,324	145,826,148
Profit after taxation/Total comprehensive income for the financial period	-	-	-	-	-	12,571,626	12,571,626	100,163	12,671,789
Contribution by and distribution to owners of the Company									
- Dividend paid	-	-	-	-	-	(5,180,000)	(5,180,000)	-	(5,180,000)
- Bonus issue	18,499,995	(18,499,995)	-	-	-	-	-	-	-
- Issuance of new shares	6,000,000	20,400,000	-	-	-	-	26,400,000	-	26,400,000
- Share issuance expenses	-	(479,905)	-	-	-	-	(479,905)	-	(479,905)
	24,999,995	1,420,100	-	-	-	(5,180,000)	20,740,095	-	20,740,095
- Acquisition of a subsidiary company	-	-	-	-	-	-	-	720,373	720,373
Total transactions with owners	24,499,995	1,420,100	-	-	-	(5,180,000)	20,740,095	720,373	21,460,468
<b>At 30 June 2016 (audited)</b>	116,999,995	20,481,554	(56,777,171)	9,538,719	1,199,982	86,287,466	177,730,545	2,227,860	179,958,405

Notes:

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited Consolidated Financial Statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to these audited financial statements.

**ONLY WORLD GROUP HOLDINGS BERHAD** (Company No.: 1033338-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016**

	< ----- Non-DISTRIBUTABLE ----- >					DISTRIBUTABLE			
	SHARE CAPITAL RM	SHARE PREMIUM RM	MERGER DEFICIT RM	REVALUATION RESERVE RM	CAPITAL RESERVE RM	RETAINED PROFITS RM	ATTRIBUTABLE TO OWNERS OF THE GROUP RM	Non- CONTROLLING INTERESTS RM	TOTAL EQUITY RM
<b>At 1 July 2016 (audited)</b>	116,999,995	20,481,554	(56,777,171)	9,538,719	1,199,982	86,287,466	177,730,545	2,227,860	179,958,405
Profit after taxation/Total comprehensive income for the financial period	-	-	-	-	-	1,313,440	1,313,440	141,617	1,455,057
<b>At 30 September 2016 (unaudited)</b>	116,999,995	20,481,554	(56,777,171)	9,538,719	1,199,982	87,600,906	179,043,985	2,369,477	181,413,462

**ONLY WORLD GROUP HOLDINGS BERHAD** (Company No.: 1033338-K)

**INTERIM FINANCIAL REPORTING FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016**

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING**

(The figures have not been audited)

	<b>Current Year To Date 30-Sep-2016 RM</b>	<b>Preceding Year Corresponding Period 30-Sep-2015 RM</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit before taxation	2,895,149	4,028,448
<b>Adjustments for:-</b>		
Amortisation of prepaid land lease payments	158	158
Amortisation of intangible assets	16,740	-
Depreciation of property, plant and equipment	2,132,536	1,376,743
Interest expense	407,489	323,002
Interest income	(36,394)	(158,515)
Operating profit before working capital changes	5,415,678	5,569,836
Increase in inventories	(113,722)	(476,223)
Increase in trade and other receivables	(216,067)	(5,156,954)
Decrease in trade and other payables	(7,556,311)	(3,528,248)
<b>CASH FOR OPERATIONS</b>	(2,470,422)	(3,591,589)
Income tax refunded	-	633,743
Income tax paid	(808,647)	(1,231,918)
Interest paid	(407,489)	(323,002)
Interest received	36,394	15,308
<b>NET CASH FOR OPERATING ACTIVITIES</b>	(3,650,164)	(4,497,458)
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	-	143,207
Placement of deposits pledged to a licensed bank and with maturity period of more than three months	-	(3,135,330)
Purchase of property, plant and equipment	(21,831,747)	(11,444,087)
Purchase of unquoted shares	-	(375,000)
<b>NET CASH FOR INVESTING ACTIVITIES</b>	(21,831,747)	(14,811,210)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of hire purchase payables	366,323	150,000
Repayment of hire purchase obligations	(179,274)	(73,225)
Drawdown of term loans	7,093,144	5,928,395
Repayment of term loans	(1,462,576)	(370,233)
Repayment to a related party	-	(644)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	5,817,617	5,634,293
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(19,664,294)	(13,674,375)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	21,168,220	36,987,492
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	1,503,926	23,313,117
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISE:-</b>		
- Deposit with licensed banks	11,600,054	12,916,977
- Cash and bank balances	5,930,678	13,531,470
- Bank overdrafts	(5,233,779)	-
	12,296,953	26,448,447
Less: Deposits pledged with licensed banks	(10,663,435)	(3,135,330)
Less: Bank balance held as escrow	(129,592)	-
	1,503,926	23,313,117

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING**

**A1. Basis of Preparation**

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

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited Consolidated Financial Statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to these audited financial statements.

The group has adopted merger accounting method for the preparation of this Interim Financial Statements.

**A2. Changes in Accounting Policies**

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the financial period ended 30 June 2016 except for the adoption of the following new MFRSs and amendments/improvements to MFRSs that are issued by the MASB that became effective and relevant to the Group for the financial year beginning 1 July 2016

<b>New MFRSs</b>		
MFRS 14	Regulatory Deferral Accounts	1 January 2016
<b>Amendments/Improvements to MFRSs</b>		
MFRS 11	Accounting for Acquisitions of interest in Joint Operations	1 January 2016
MFRS 10, MFRS 12 & MFRS 128 (2011)	Investment Entities – Applying the Consolidation Exception	1 January 2016
MFRS 101	Presentation of Financial Statements – Disclosure Initiative	1 January 2016
MFRS 116 & MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
MFRS 119 & MFRS 141	Agriculture – Bearer Plants	1 January 2016
MFRS 127 (2011)	Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle		1 January 2016

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.

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**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING****A2. Changes in Accounting Policies (*Cont’d*)**

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:-

<b>New MFRSs</b>		
MFRS 9	Financial Instruments – Classification and measurement of financial assets and financial liabilities	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
<b>Amendments/Improvements to MFRSs</b>		
MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
MFRS 107	Statement of Cash Flows – Disclosure Initiatives	1 January 2017
MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 10 & MFRS 128	Sales or Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred until further notice

**A3. Auditors' Report on Preceding Annual Financial Statements**

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 30 June 2016.

**A4. Seasonal or Cyclical Factors**

Our Group's operations are inherently seasonal in nature. The number of patrons usually increases during weekends and the holiday seasons.

**A5. Item of Unusual Nature**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow because of their nature, size or incidence for the financial quarter under review.

**A6. Material Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter and financial year-to-date results.

**A7. Changes in Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter except for those disclosed in Note B7.

**A8. Dividend Paid/Declared**

There were no dividends paid or proposed during the current financial period under review.

**ONLY WORLD GROUP HOLDINGS BERHAD** (Company No.: 1033338-K)

**INTERIM FINANCIAL REPORTING FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016**

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING**

**A9. Segmental Information**

i. The segmental result of the Group for the current financial quarter under review is set out below:

	3 months ended 30-Sep-2016					
	Food Service Operations RM	Amusement and Recreation Operations RM	Other Services RM	Total RM	Consolidated RM	The Group RM
<b>Segment revenue</b>						
- External revenue	19,515,688	7,107,446	1,842,513	28,465,647	-	28,465,647
- Inter segment revenue	2,482,673	53,222	174,870	2,710,765	(2,710,765)	-
Total segment revenue	21,998,361	7,160,668	2,017,383	31,176,412	(2,710,765)	28,465,647
Segment results	2,530,244	2,119,072	(1,754,168)*	2,895,148	-	2,895,148
Tax expense	-	-	-	-	-	(1,440,091)
Profit for the financial period	-	-	-	-	-	1,455,057

ii. The segmental result of the Group for the preceding year's corresponding quarter under review is set out below:

	3 months ended 30-Sep-2015					
	Food Service Operations RM	Amusement and Recreation Operations RM	Other Services RM	Total RM	Consolidated RM	The Group RM
<b>Segment revenue</b>						
- External revenue	17,184,771	3,587,534	1,906,997	22,679,302	-	22,679,302
- Inter segment revenue	2,590,861	-	234,687	2,825,548	(2,825,548)	-
Total segment revenue	19,775,632	3,587,534	2,141,684	25,504,850	(2,825,548)	22,679,302
Segment results	2,285,264	1,184,500	558,684*	4,028,448	-	4,028,448
Tax expense	-	-	-	-	-	(968,405)
Profit for the financial period	-	-	-	-	-	3,060,043

\*The segment results for 'Other Services' in the current quarter ended 30 September 2016 showed a loss before tax of RM1.75 million as compared to a profit before tax of RM0.55 in the corresponding period last year due mainly to:

- (a) non-allocated costs and overheads mainly from Komtar, Penang of RM1.70 million; and
- (b) increase in percentage rental and overhead cost for photography services of RM0.30 million

**ONLY WORLD GROUP HOLDINGS BERHAD** (Company No.: 1033338-K)

**INTERIM FINANCIAL REPORTING FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016**

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING**

**A9. Segmental Information (Cont’d)**

- iii. The segmental result of the Group for the current cumulative financial quarter under review is set out below:

	3 months ended 30-Sep-2016					
	Food Service Operations RM	Amusement and Recreation Operations RM	Other Services RM	Total RM	Consolidated RM	The Group RM
<b>Segment revenue</b>						
- External revenue	19,515,688	7,107,446	1,842,513	28,465,647	-	28,465,647
- Inter segment revenue	2,482,673	53,222	174,870	2,710,765	(2,710,765)	-
Total segment revenue	21,998,361	7,160,668	2,017,383	31,176,412	(2,710,765)	28,465,647
Segment results	2,530,244	2,119,072	(1,754,168)	2,895,148	-	2,895,148
Tax expense	-	-	-	-	-	(1,440,091)
Profit for the financial period	-	-	-	-	-	1,455,057

- iv. The segmental result of the Group for the preceding year's corresponding period under review is set out below:

	3 months ended 30-Sep-2015					
	Food Service Operations RM	Amusement and Recreation Operations RM	Other Services RM	Total RM	Consolidated RM	The Group RM
<b>Segment revenue</b>						
- External revenue	17,184,771	3,587,534	1,906,997	22,679,302	-	22,679,302
- Inter segment revenue	2,590,861	-	234,687	2,825,548	(2,825,548)	-
Total segment revenue	19,775,632	3,587,534	2,141,684	25,504,850	(2,825,548)	22,679,302
Segment results	2,285,264	1,184,500	558,684	4,028,448	-	4,028,448
Tax expense	-	-	-	-	-	(968,405)
Profit for the financial period	-	-	-	-	-	3,060,043

# ONLY WORLD GROUP HOLDINGS BERHAD (Company No.: 1033338-K)

## INTERIM FINANCIAL REPORTING FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

### PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

#### A10. Capital Commitments

Capital commitment for property and equipment not provided for as at 30 September 2016 are as follows:-

Capital expenditure commitments	As at 30 September 2016 RM
Approved but not contracted for - Refurbishment works and renovation of attractions & outlets	11,963,919
Approved and contracted for - Refurbishment works and renovation of attractions & outlets	1,400,000

#### A11. Material Events Subsequent To the End of the Interim Period

On 13 October 2016, the Group announced that the issued and paid up ordinary share capital of the Company was increased from RM116,999,995 to RM121,442,495 by the issuance of 8,885,000 new ordinary shares of RM0.50 each pursuant to a private placement exercise at an issue price of RM2.13 per ordinary share.

The resulting net premium arising from the shares issued above of RM14,171,042 has been credited to the share premium account.

#### A12. Changes in Composition of the Group

- i. On 4 October 2016, the Group announced the completion of the allotment of additional shares of Buckingham Dynasty Sdn. Bhd. (“BDSB”) to Golden Venture Platform Sdn. Bhd. (“**GVPSB**”) on 30 September 2016 pursuant to the terms of the Shareholders Agreement between Platinum Paradise Sdn. Bhd. (“**PPSB**”), a wholly owned subsidiary of Only World Group Holdings Berhad (“**OWG**”), Datin Sri Dato’ Chew Lean Hong, the Executive Director / Group Chief Operating Officer of OWG and GVPSB on the subscription of equity shares in BDSB.

Following the completion of the allotment of additional shares in BDSB, the shareholding of PPCB in BDSB had been accordingly reduced from 100% to 70%.

- ii. On 4 October 2016, the Group announced that Magnificent Empire Sdn. Bhd., a wholly owned subsidiary of OWG, had on 30 September 2016 acquired for cash 2 ordinary share of RM1.00 each representing the entire issued and paid up capital of Tower Club Penang Berhad (“**TCPB**”) from its 2 promoters, Dato’ Sri Dato’ Koh Cheng Keong and Datin Sri Dato’ Chew Lean Hong, who are also the Managing Director/Group Chief Executive Officer and the Executive Director/Group Chief Operating Officer of OWG, respectively.

TCPB was incorporated on 19 April 2016 with an authorized share capital of RM5,000,000 of which 2 ordinary shares of RM1.00 each have been issued and fully paid up. On 3 November 2016, TCPB’s paid up share capital increased by RM999,998 to RM1,000,000 by the allotment to and subscription of shares by Magnificent Empire Sdn. Bhd.

The intended principal activity of TCPB is to operate a membership proprietary club.

#### A13. Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

**ONLY WORLD GROUP HOLDINGS BERHAD** (Company No.: 1033338-K)

## INTERIM FINANCIAL REPORTING FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS  
("MFRS") 134, INTERIM FINANCIAL REPORTING**A14. Related Party Disclosures**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30-Sep-16 RM	Preceding Year Corresponding Quarter 30-Sep-15 RM	Current Year To Date 30-Sep-16 RM	Preceding Year Corresponding Period 30-Sep-15 RM
<b>(i) Entities controlled by certain key management personnel:-</b>				
Rental income	36,330	36,330	36,330	36,330
Rental expense	(71,697)	(71,697)	(71,697)	(71,697)
<b>(ii) Directors:-</b>				
Rental expense	(270,000)	(270,000)	(270,000)	(270,000)

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**B1. Review of Performance of the Group**

**a) Current Quarter vs. Preceding Year Corresponding Quarter**

The Group achieved revenue of RM28.47 million for the current financial quarter ended 30 September 2016. This was higher by RM5.79 million or 25.51% over the revenue of the corresponding three (3) months period for the financial quarter ended 30 September 2015 of RM22.70 million.

As at 30 September 2016, the Group maintained a total of thirty eight (38) food service operation outlets against twenty nine (29) outlets for the financial quarter ended 30 September 2015.

Revenue generated from the food service operations segment increased by RM2.33 million or 13.56% from RM17.18 million in the preceding year's quarter to RM19.52 million in the current financial quarter. The increase in revenue from food service operations was due to the opening of a food service outlet in KOMTAR Penang, namely Grand Imperial, Banquet Hall and Only Mee, which contributed RM1.14 million for the current quarter.

For the amusement and recreation operations, revenue increased by RM3.52 million or 98.12% from RM3.59 million in the preceding year's quarter to RM7.11 million in the current financial quarter due mainly to:-

- (i) contribution from Escaperoom Holdings Sdn Bhd of RM2.13 million; and
- (ii) increase in revenue from Jungle Gym at Atria shopping mall of RM0.40 million, which commenced operations in September 2015.

Other services segment recorded a revenue of approximately RM1.84 million in the current financial quarter, a marginal decrease of RM0.06 million or 3.38% over the preceding year's quarter revenue of RM1.91 million.

Profit before tax was RM2.90 million for the current financial quarter as compared to RM4.03 million for the preceding year's quarter ended 30 September 2015.

The decrease in profit before tax of RM1.13 million as compared to the preceding year's quarter was due mainly:-

- (i) to the start-up costs for the opening of food operation service outlets and amusement and recreation outlets at KOMTAR, Penang of RM1.31 million; and
- (ii) additional cost of sales, overheads (including depreciation charges) and selling and distribution costs at Grand Imperial of RM0.83 million.

The costs and expenses were mitigated by additional revenue from Escaperoom Holdings Sdn Bhd and 'Grand Imperial' at KOMTAR, Penang of RM2.96 million in the current quarter.

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B2. Variation of Results with the Immediate Preceding Quarter**

	3 Months Ended		Deviation	
	30-Sep-16	30-Jun-16	Amount	
	RM	RM	RM	%
Revenue	28,465,647	22,732,448	5,733,199	25.22
Profit before tax	2,895,148	1,947,394	947,754	48.67

The Group's revenue increased by 25.22% from RM22.73 million in the immediate preceding quarter to RM28.47 million in the current financial quarter. Profit before taxation of the Group increased from RM1.95 million in the previous financial quarter to RM2.90 million in the current financial quarter representing an increase of 48.67%.

The higher revenue and profit before tax in the current quarter as compared to the immediate preceding quarter was mainly due to the additional revenue from Escaperoom Holdings Sdn Bhd and 'Grand Imperial' at KOMTAR, Penang of RM2.96 million for the current quarter. This was partly offset by the start-up costs for the opening of food operation service outlets and amusement and recreation outlets at KOMTAR, Penang of RM1.31 million.

**B3. Prospects for the Group**

The Board of Directors of OWG ("**Board**") has in place a business and expansion plan moving forward, which are focused in the following areas:

- The KOMTAR Tower Revitalisation Project which upon completion will enhance the Group's branding and physical presence in a new market. The project is expected to contribute positively to the Group's financial position upon completion;
- 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;
- opening new food service outlets will enable us to expand the range of dining options that we provide and operate at new locations;
- expand and enhance Wet World Water Park Shah Alam by executing the phase two (2) expansion plan; and
- expand and enhance Escaperoom's brand name in new markets for greater exposure.

Premised on the above and barring any unforeseen circumstances, the Board is generally positive of the Group's performance but cautious of the prevailing economic conditions for the financial year.

**B4. Profit Forecast and Profit Estimate**

The Group did not issue any profit forecast or profit estimate previously in any public document.

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B5. Notes to the Statement of Profit or Loss and Other Comprehensive Income**

Profit before tax for the current financial period is arrived at after charging/(crediting):-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30-Sep-16 RM	Preceding Year Corresponding Quarter 30-Sep-15 RM	Current Year To Date 30-Sep-16 RM	Preceding Year Corresponding Period 30-Sep-15 RM
Depreciation of property, plant and equipment	2,132,536	1,376,743	2,132,536	1,376,743
Amortisation of prepaid land lease payments	158	158	158	158
Amortisation of intangible assets	16,740	-	16,740	-
Interest expense	407,489	323,002	407,489	323,002
Interest income	(36,394)	(158,515)	(36,394)	(158,515)

Save for the above, the other items as required under Paragraph 16, Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Securities are not applicable.

**B6. Income Tax Expense**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30-Sep-16 RM	Preceding Year Corresponding Quarter 30-Sep-15 RM	Current Year To Date 30-Sep-16 RM	Preceding Year Corresponding Period 30-Sep-15 RM
<b><u>Income Tax</u></b>				
Current tax expenses	1,440,091	968,405	1,440,091	968,405
	1,440,091	968,405	1,440,091	968,405

The effective tax rate for the current quarter and financial year under review is higher than the statutory tax rate of 24% mainly due to certain expenses which are non-tax deductible.

**B7. Status of Corporate Proposals**

**(i) Private Placement of Shares**

On 18 January 2016, the Company proposes to issue up to Twenty Two Million One Hundred Ninety Nine Thousand and Nine Hundred (22,199,900) shares which it proposes to offer to investors by way of private placements.

The issue price for its proposed private placement shares announced on 2 February 2016 is at RM2.20 per placement share.

On 17 February 2016, the first (1<sup>st</sup>) tranche of the Private Placement of 12,000,000 out of the 22,199,900 placement shares of RM0.50 each were completed at an exercise price of RM2.20 per ordinary share and listed and quoted on the Main Market of Bursa Securities. The gross proceeds from the 12,000,000 placement shares amounted to RM26.4 million. The resulting premium arising from the shares issued of RM20.4 million has been credited to the share premium account.

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B7. Status of Corporate Proposals (cont'd)**

On 29 July 2016, CIMB Investment Bank Berhad had on behalf of the Company, submitted an application to Bursa Securities for an extension of time of six (6) months to complete the Proposed Private Placement from 14 August 2016, being the last date to implement the Proposed Private Placement in accordance with Paragraph 6.62 of the Listing Requirements, to 14 February 2017.

Bursa Securities had on 15 August 2016 approved the extension of time to complete the Proposed Private Placement from 15 August 2016 to 14 February 2017.

On 13 October 2016, the 2<sup>nd</sup> tranche of Private Placement of 8,885,000 out of the remaining 10,199,900 placement shares of RM0.50 each were completed at an issue price of RM2.13 per ordinary share and listed and quoted on the Main Market of Bursa Securities. The net proceeds from the 8,885,000 placement shares amounted to RM18,613,542. The resulting net premium arising from the shares issued above of RM14,171,042 has been credited to the share premium account.

As at the date of this report, save as disclosed above, there are no other corporate proposals that are pending for completion.

**B8. Status of Proposed Utilisation of Proceeds**

**(i) Utilisation of Proceeds from Private Placement of Shares**

The proceeds of approximately RM26.40 million from the first (1st) tranche of the Private Placement of Twelve Million (12,000,000) placement shares, referred to in note B7 (i) has been fully utilised during the financial year ended 30 June 2016.

On 13 October 2016, the second (2nd) tranche of the Private Placement of Eight Million Eight Hundred and Eighty Five Thousand (8,885,000) placement shares at issue price of RM2.13 per placement share were issued and listed and quoted on the Main Market of Bursa Malaysia Securities Berhad. The net proceeds amounted to RM18,613,542.

The details of the utilisation as at 28 November 2016 are as follows:

Details of utilisation of proceeds	Proposed utilisation	Actual proceeds raised	Actual utilisation	Deviation	Balance	Estimated timeframe for utilisation from the date of Private Placement
	RM'000	RM'000	RM'000	RM'000	RM'000	
Komtar Tower Revitalisation Project	48,000	44,534	(44,534)	-	-	Within twelve (12) months
Working capital	1,140	-	-	-	-	Within twelve (12) months
Estimated expenses in relation to the Private Placement	1,030	791	(791)	-	-	Within one (1) month
Total	50,170	45,325	(45,325)	-	-	

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B9. Group Borrowings**

The Group's borrowing as at 30 September 2016 are as follows:

	<b>Unaudited</b> <b>As at 30-Sep-16</b>	<b>Audited</b> <b>As at 30-Jun-16</b>
	<b>RM</b>	<b>RM</b>
Long-term borrowings		
Secured:		
Hire purchase payables	2,515,605	2,283,755
Term loan	51,448,379	44,506,063
	<u>53,963,984</u>	<u>46,789,818</u>
Short-term borrowings		
Secured:		
Hire purchase payables	1,521,688	1,566,490
Term loan	5,850,304	7,162,051
	<u>7,371,992</u>	<u>8,728,541</u>
Total borrowings	<u>61,335,976</u>	<u>55,518,359</u>

**B10. Material Litigation**

The Group does not have any material litigation and the Directors are not aware of any proceedings pending or threatened against the Group as at the date of this interim financial report.

**B11. Dividends**

No dividend was declared for the quarter under review.

**B12. Realised and Unrealised Profits**

The disclosure of realised and unrealised profits below is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities.

	<b>Unaudited</b> <b>As at 30-Sep-16</b>	<b>Audited</b> <b>As at 30-Jun-16</b>
	<b>RM</b>	<b>RM</b>
Total retained earnings		
- realised	91,499,988	89,893,464
- unrealised	(2,230,929)	(2,065,929)
	<u>89,269,059</u>	<u>87,827,535</u>
Add: consolidated adjustments	(1,668,153)	(1,540,069)
Total retained earnings	<u>87,600,906</u>	<u>86,287,466</u>

**ONLY WORLD GROUP HOLDINGS BERHAD** (Company No.: 1033338-K)**INTERIM FINANCIAL REPORTING FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B13. Earnings Per Share**

## (a) Basic Earnings per Share

The basic earnings per share for the current financial quarter and financial period to date are computed as follows:-

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year Quarter 30-Sep-16</b>	<b>Preceding Year Corresponding Quarter 30-Sep-15</b>	<b>Current Year To Date 30-Sep-16</b>	<b>Preceding Year Corresponding Period 30-Sep-15</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Profit for the period	1,313,440	3,060,043	1,313,440	3,060,043
Number of ordinary shares of RM0.50 each in issue	233,999,990	221,999,990	233,999,990	221,999,990
Basic Earnings Per Share (sen) <sup>(1)</sup>	0.56	1.38	0.56	1.38

## (b) Diluted Earnings Per Share

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue for the current quarter and financial year-to-date.

By order of the Board

28 November 2016