

# ONLY WORLD GROUP HOLDINGS BERHAD

(Company No.1033338-K)

## INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

### 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
Unaudited Condensed Consolidated Statement of Cash Flows.....	4-5
Notes to the Condensed Financial Statements.....	6-16

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 MARCH 2017**

	Note	Individual Quarter		Cumulative Quarter	
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
		Current Year	Preceding Year	Current Year	Preceding Year
		Quarter	Corresponding	To Date	Corresponding
		Quarter	Quarter	Period	Period
		31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
		RM	RM	RM	RM
REVENUE		31,512,952	24,211,601	93,172,244	75,236,772
COST OF SALES		(25,830,027)	(15,623,114)	(68,680,355)	(44,340,400)
GROSS PROFIT		5,682,925	8,588,487	24,491,889	30,896,372
OTHER INCOME		3,693,529	289,797	4,006,827	1,871,905
		9,376,454	8,878,284	28,498,716	32,768,277
SELLING AND DISTRIBUTION EXPENSES		(1,179,759)	(290,557)	(2,429,821)	(789,242)
ADMINISTRATIVE EXPENSES		(4,607,689)	(4,090,734)	(12,564,403)	(14,251,048)
OTHER EXPENSES		(2,094,281)	(98,259)	(3,917,305)	(1,003,002)
PROFIT FROM OPERATIONS		1,494,725	4,398,734	9,587,187	16,724,985
FINANCE COSTS		(1,040,798)	(161,835)	(2,022,070)	(969,039)
PROFIT BEFORE TAXATION	<b>B5</b>	453,927	4,236,899	7,565,117	15,755,946
INCOME TAX EXPENSE	<b>B6</b>	380,405	(1,205,465)	(2,864,886)	(4,228,642)
PROFIT AFTER TAXATION		834,332	3,031,434	4,700,231	11,527,304
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		834,332	3,031,434	4,700,231	11,527,304
PROFIT AFTER TAXATION ATTRIBUTABLE TO :-					
- Owners of the Company		1,121,641	2,926,089	5,151,613	11,311,801
- Non-Controlling interests		(287,309)	105,345	(451,382)	215,503
		834,332	3,031,434	4,700,231	11,527,304
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
- Owners of the Company		1,121,641	2,926,089	5,151,613	11,311,801
- Non-Controlling interests		(287,309)	105,345	(451,382)	215,503
		834,332	3,031,434	4,700,231	11,527,304
Earnings per share (sen) attributable to Owners of the Company					
- Basic <sup>(1)</sup>	<b>B12</b>	0.47	1.31	2.16	5.06
- 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 weighted average number of issued share capital during the periods.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017**

	Note	UNAUDITED AS AT 31-Mar-17 RM	AUDITED AS AT 30-Jun-16 RM
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		258,808,498	199,256,988
Goodwill on consolidation		4,319,440	4,319,440
Intangible asset		526,754	586,052
Prepaid land lease payments		50,026	50,500
Deferred tax assets		141,000	141,000
Investment in unquoted shares		375,000	375,000
		<u>264,220,718</u>	<u>204,728,980</u>
<b>CURRENT ASSETS</b>			
Inventories		3,391,279	2,916,834
Trade receivables		1,644,365	985,279
Other receivables, deposits and prepayments		26,743,888	16,272,558
Tax recoverable		3,358,507	3,348,555
Deposits with licensed banks		12,983,996	18,649,604
Cash and bank balances		6,839,155	14,526,918
		<u>54,961,190</u>	<u>56,699,748</u>
<b>TOTAL ASSETS</b>		<b><u>319,181,908</u></b>	<b><u>261,428,728</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		121,442,495	116,999,995
Share premium		34,670,229	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		91,439,079	86,287,466
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<u>201,513,333</u>	<u>177,730,545</u>
NON-CONTROLLING INTERESTS		1,776,478	2,227,860
<b>TOTAL EQUITY</b>		<b><u>203,289,811</u></b>	<b><u>179,958,405</u></b>
<b>NON-CURRENT LIABILITIES</b>			
Long term advances from a non-controlling interest		900,000	1,200,000
Long-term borrowings	B8	61,953,085	46,789,818
Deferred tax liabilities		2,265,029	2,206,929
Provision for restoration work		488,862	488,862
		<u>65,606,976</u>	<u>50,685,609</u>
<b>CURRENT LIABILITIES</b>			
Trade payables		4,661,422	3,704,901
Other payables, deposits received and accruals		22,398,269	16,887,302
Short-term borrowings	B8	15,089,655	8,728,541
Bank overdrafts		5,277,587	1,215,275
Provision for taxation		2,858,188	248,695
		<u>50,285,121</u>	<u>30,784,714</u>
<b>TOTAL LIABILITIES</b>		<b><u>115,892,097</u></b>	<b><u>81,470,323</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>319,181,908</u></b>	<b><u>261,428,728</u></b>
<b>Net assets per share (excluding non-controlling interests) (RM)</b>		<u>0.85<sup>(1)</sup></u>	<u>0.78<sup>(1)</sup></u>

Notes:

The Unaudited Condensed Consolidated Statement of Financial Position 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 weighted average number of issued share capital of 238,072,282 and 226,438,346 ordinary shares as at 31 March 2017 and 30 June 2016,

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

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 MARCH 2017

	<----- 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 PARENT RM	NON CONTROLLING INTEREST RM	TOTAL EQUITY RM
At 1 July 2015 (audited)	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
Transaction with 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
- shares Issuance expenses	-	(479,905)	-	-	-	-	(479,905)	-	(479,905)
	24,499,995	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
At 1 July 2016 (audited)	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	-	-	-	-	-	5,151,613	5,151,613	(451,382)	4,700,231
Transaction with owners of the Company									
- Issuance of new shares	4,442,500	14,482,550	-	-	-	-	18,925,050	-	18,925,050
- shares issuance expenses (1)	-	(293,875)	-	-	-	-	(293,875)	-	(293,875)
Total transactions with owners	4,442,500	14,188,675	-	-	-	-	18,631,175	-	18,631,175
<b>At 31 March 2017 (not audited)</b>	<b>121,442,495</b>	<b>34,670,229</b>	<b>(56,777,171)</b>	<b>9,538,719</b>	<b>1,199,982</b>	<b>91,439,079</b>	<b>201,513,333</b>	<b>1,776,478</b>	<b>203,289,811</b>

Notes:

The Unaudited Condensed Consolidated Statement of Changes in Equity 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) Share issue expenses for the issue of shares were set off against the share premium account under Section 60 of the Companies Act, 1965.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 31 MARCH 2017**

	UNAUDITED Current Year To Date  31-Mar-17 <u>RM</u>	UNAUDITED Preceding Year Corresponding Period  31-Mar-16 <u>RM</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	7,565,117	15,755,946
<b>Adjustments for:-</b>		
Amortisation of prepaid land lease payments	474	48,342
Amortisation of trademark	59,298	-
Depreciation of property, plant and equipment	8,818,880	4,557,223
Impairment on property, plant and equipment	640,056	-
Interest expense	2,022,070	969,039
Interest income	(142,432)	(376,119)
Operating profit before working capital changes	<u>18,963,463</u>	<u>20,954,431</u>
(Increase)/decrease in inventories	(474,445)	(595,791)
(Increase)/decrease in trade and other receivables	(11,130,416)	(7,354,165)
Increase in trade and other payables	<u>6,167,485</u>	<u>218,401</u>
<b>CASH FROM OPERATIONS</b>	<u>13,526,087</u>	<u>13,222,876</u>
Income tax paid	(1,224,319)	(5,968,202)
Income tax refunded	1,017,075	1,165,414
Interest paid	(3,303,707)	(969,039)
Interest received	<u>142,432</u>	<u>34,040</u>
<b>NET CASH FOR OPERATING ACTIVITIES</b>	<u>10,157,568</u>	<u>7,485,089</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	-	342,079
Placement of deposits pledged to a licensed bank and with maturity period of more than three months	-	(10,736,772)
Purchase of property, plant and equipment	(67,728,808)	(47,700,315)
Acquisition of a subsidiary, net of cash acquired	-	(4,872,960)
Purchase of unquoted shares	-	(375,000)
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<u>(67,728,808)</u>	<u>(63,342,968)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	-	(5,180,000)
Gross proceeds from issuance of shares	18,925,050	26,400,000
Shares issuance expenses	(293,875)	(479,905)
Drawdown of hire purchase and lease payables	3,869,840	3,602,603
Repayment of hire purchase and lease obligations	(1,313,468)	(146,812)
Drawdown of term loans	21,430,585	21,339,229
Repayment of term loans	(2,462,575)	(1,192,546)
Repayment to a related party	-	(2,698)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<u>40,155,557</u>	<u>44,339,871</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(17,415,683)</u>	<u>(11,518,008)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<u>21,168,220</u>	<u>36,987,492</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<u>3,752,537</u>	<u>25,469,484</u>

**ONLY WORLD GROUP HOLDINGS BERHAD** (Company No.: 1033338-K)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED  
31 MARCH 2017 (CONT'D)**

---

	<b>UNAUDITED Current Year To Date 31-Mar-17</b>	<b>AUDITED Preceding Year Corresponding 31-Mar-16</b>
	<b>RM</b>	<b>RM</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISE:-</b>		
- Deposit with licensed banks	12,983,996	26,023,491
- Cash and bank balances	6,839,155	10,182,765
- Bank overdrafts	<u>(5,277,587)</u>	<u>-</u>
	14,545,564	36,206,256
Less: Deposits pledged with licensed banks	(11,808,127)	(10,736,772)
Less: Bank balance held as escrow	<u>1,015,100</u>	<u>-</u>
	<u>3,752,537</u>	<u>25,469,484</u>

**Note:**

The Unaudited Condensed Consolidated Statement of Cash Flows 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.

**INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER ENDED 31 MARCH 2017**

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

During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequences amendments, if any):-

<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.

**INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER ENDED 31 MARCH 2017****PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCING REPORTING STANDARDS (“MFRS”), 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
Annual Improvements to MFRSs 2014 – 2016 Cycle		1 January 2018

The adoption of the above revised MFRSs, Amendments to MFRSs and IC Interpretation will not have any significant financial impact on the financial position and performance of the Group.

**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.



**INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER ENDED 31 MARCH 2017**

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

**A8. Dividend Paid/Declared**

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

**A9. Segmental Information**

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

	3 months ended 31 March 2017					
	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	20,988,186	8,959,577	1,565,189	31,512,952	-	31,512,952
- Inter segment revenue	3,881,136	629,405	594,109	5,104,650	(5,104,650)	-
Total segment revenue	24,869,322	9,588,982	2,159,298	36,617,602	(5,104,650)	31,512,952
Segment results	2,372,130	3,640,536	(4,517,941)	1,494,725	-	1,494,725
Finance costs	-	-	-	-	-	(1,040,798)
Tax expense	-	-	-	-	-	380,405
Profit for the financial period	-	-	-	-	-	834,332

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

	3 months ended 31 March 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	17,346,165	4,853,700	2,011,736	24,211,601	-	24,211,601
- Inter segment revenue	2,243,269	-	227,403	2,470,672	(2,470,672)	-
Total segment revenue	19,589,434	4,853,700	2,239,139	26,682,273	(2,470,672)	24,211,601
Segment results	1,454,997	1,942,992	838,910	4,236,899	-	4,236,899
Finance costs	-	-	-	-	-	-
Tax expense	-	-	-	-	-	(1,205,465)
Profit for the financial period	-	-	-	-	-	3,031,434

**INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER ENDED 31 MARCH 2017**

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

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

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

	9 months ended 31 March 2017					
	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	64,264,311	24,295,640	4,612,293	93,172,244	-	93,172,244
- Inter segment revenue	9,483,040	1,883,378	1,812,046	13,178,464	(13,178,464)	-
Total segment revenue	73,747,351	26,179,018	6,424,339	106,350,708	(13,178,464)	93,172,244
Segment results	9,974,143	9,817,593	(10,204,549)	9,587,187	-	9,587,187
Finance costs	-	-	-	-	-	(2,022,070)
Tax expense	-	-	-	-	-	(2,864,886)
Profit for the financial year	-	-	-	-	-	4,700,231

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

	9 months ended 31 March 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	53,636,272	15,331,415	6,269,085	75,236,772	-	75,236,772
- Inter segment revenue	7,575,021	-	2,237,330	9,812,351	(9,812,351)	-
Total segment revenue	61,211,293	15,331,415	8,506,415	85,049,123	(9,812,351)	75,236,772
Segment results	7,420,083	5,939,199	2,396,664	15,755,946	-	15,755,946
Finance costs	-	-	-	-	-	-
Tax expense	-	-	-	-	-	(4,228,642)
Profit for the financial year	-	-	-	-	-	11,527,304

**INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER ENDED 31 MARCH 2017**

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

**A10. Capital Commitments**

Capital commitment for property and equipment not provided for as at 31 March 2017 are as follows: -

<b>Capital expenditure commitments</b>	<b>As at 31 Mar 2017 RM</b>
Approved and contracted for - Refurbishment works and renovation of attractions & outlets	7,179,205
Approved but not contracted for - Refurbishment works and renovation of attractions & outlets	-

**A11. Material Events Subsequent to the End of the Interim Period**

There were no material events subsequent to the end of the interim period.

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

There were no changes in composition of the Group during the current financial period under review.

**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.

**A14. Related Party Disclosures**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year Quarter 31-Mar-17 RM</b>	<b>Preceding Year Corresponding Quarter 31-Mar-16 RM</b>	<b>Current Year To Date 31-Mar-17 RM</b>	<b>Preceding Year Corresponding Period 31-Mar-16 RM</b>
<b>(i) Entities controlled by certain key management personnel:-</b>				
Rental income	36,330	36,330	108,990	108,990
Rental expense	(71,697)	(71,697)	(215,091)	(215,091)
<b>(ii) Directors:-</b>				
Rental expense	(270,000)	(270,000)	(810,000)	(810,000)

**INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER ENDED 31 MARCH 2017**

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

---

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

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

The Group achieved revenue and profit before taxation of RM31.51 million and RM0.45 million respectively for the current financial quarter ended 31 March 2017. The revenue of RM31.51 million represented an increase of RM7.30 million or 30.15% as compared to the revenue of RM24.21 million recorded for the corresponding three (3) months period for the financial quarter ended 31 March 2016.

The increase in revenue was mainly contributed by the food service operations and amusement and recreation operations of RM3.64 million and RM4.11 million, respectively.

As at 31 March 2017, the Group maintained a total of thirty-nine (39) food service outlets against thirty (30) outlets for the financial period ended 31 March 2016.

The increase of revenue in food service operations was due mainly to:

- (i) the opening of 9 new food service outlets on 18 December 2016 at The TOP, KOMTAR Tower, Penang, which contributed approximately RM1.90 million in the current financial quarter;
- (ii) the opening of 2 new food service outlets on 17 December 2016 in Skyway Avenue, Genting, namely Richdad and Babajia, which contributed approximately RM0.35 million in revenue in the current financial quarter; and
- (iii) higher revenue contribution of approximately RM1.39 million from existing food service outlets.

The amusement and recreation operations segments recorded an increase in revenue of RM4.11 million mainly attributed to the commencement of operations at The TOP, KOMTAR Tower, Penang (consisting 14 family attractions) on 18 December 2016, which contributed approximately RM3.44 million in revenue.

Profit before tax for the financial quarter under review was RM0.45 million as compared to RM4.24 million of the preceding year's financial quarter ended 31 March 2016.

The decrease in profit before tax of RM3.79 million was due mainly to:

- (i) the depreciation charges for fixed assets at The TOP, KOMTAR Tower, Penang of RM2.44 million after the commencement of operations in December 2016; and
- (ii) higher selling and distribution cost of RM0.9 million for the promotion of The TOP, Komtar Tower, Penang.

**B1. Review of Performance of the Group (cont'd)**

**b) Current Year to-date vs. Preceding Financial Year Corresponding Period**

The Group achieved revenue and profit before taxation of RM93.17 million and RM7.57 million respectively for the current financial period ended 31 March 2017. The revenue of RM93.17 million represented an increase of RM17.93 million or 23.83% as compared to the revenue of RM75.24 million recorded for the corresponding nine (9) months period for the financial period ended 31 March 2016.

The increase in revenue was mainly contributed by the food service operations and amusement and recreation operations of RM10.63 million and RM8.96 million respectively.

The increase of revenue in food service operations of RM10.63 million was due mainly to:

- (i) the opening of 9 new food service outlets on 18 December 2016 at The TOP, KOMTAR, which contributed approximately RM1.90 million in the current financial period;
- (ii) the opening of 2 new food service outlets on 17 December 2016 in Skyway Avenue, Genting, namely Richdad and Babajia, which contributed approximately RM0.58 million in revenue in current financial period; and
- (iii) higher revenue contribution of approximately RM8.16 million from other existing food service outlets.

The amusement and recreation operations segment recorded an increase in revenue of RM8.96 million mainly attributed to:

- (i) the commencement of the operations of The TOP, KOMTAR Tower, Penang (consisting 14 family attractions) on 18 December 2016, which contributed approximately RM3.44 million in revenue.
- (ii) higher revenue contribution of RM5.52 million from other existing amusement and recreation outlets.

Profit before tax for the financial period under review was RM7.57 million as compared to RM15.76 million of the preceding financial period ended 31 March 2016.

The decrease in profit before tax of RM8.19 million was due mainly to:

- (i) start-up costs for the opening of food service outlets and amusement and recreation outlets at KOMTAR, Penang of RM4.31 million;
- (ii) depreciation charges for fixed assets at The TOP, KOMTAR Tower, Penang after the commencement of operations in December 2016 of RM2.44 million; and
- (iii) higher selling and distribution cost of RM1.6 million for promotion of The TOP, Komtar Tower, Penang.

**INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER ENDED 31 MARCH 2017****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	
	31-Mar-17	31-Dec-16	Amount	
	RM	RM	RM	%
Revenue	31,512,952	33,193,645	(1,680,693)	(5.06)
Profit before tax	453,927	4,216,042	(3,762,075)	(89.23)

The Group's revenue decreased by 5.06% from RM33.19 million in the immediate preceding quarter to RM31.51 million in the current financial quarter. Profit before taxation of the Group decreased from RM4.22 million in the previous financial quarter to RM0.45 million in the current financial quarter representing a decrease of 89.23%.

The lower revenue of RM1.68 million as compared to the preceding quarter was due mainly to "month long" year-end school holidays and festive seasons in the last preceding quarter.

The lower profit before tax of RM3.76 million as compared to the immediate preceding quarter was due mainly to higher depreciation charges of RM2.44 million and financing costs of RM0.47 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:

- opening "Fun, Food and Good Living" locations that package multiple food service outlets, family attractions and other retail outlets in a single location with a unified theme, focusing on family-centric activities;
- opening more food service outlets that expands the range of dining options at new locations; and
- enhance the facilities at Wet World Water Park Shah Alam via the phase two (2) expansion plan.

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 current financial year.

**B4. Profit Forecast and Profit Estimate**

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

**INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER ENDED 31 MARCH 2017**

**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	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	RM	RM	RM	RM
Depreciation of property, plant and equipment	3,793,588	1,634,476	8,818,880	4,557,223
Amortisation of prepaid land lease and trade mark	631	631	1,893	1,893
Amortisation of intangible assets	6,250	33,815	54,998	46,449
Impairment of property, plant and equipment	640,056	-	640,056	-
Interest expense	1,040,798	330,899	2,022,070	969,039
Interest income	(35,688)	(93,793)	(142,432)	(376,119)

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	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	RM	RM	RM	RM
<b><u>Income Tax</u></b>				
Current tax expenses	-	1,205,465	2,874,838	4,228.642
Over provision in current year	(385,976)	-	-	-
Under / (Over) provision in prior years	5,571	-	(9,952)	-
	(380,405)	1,205,465	2,864,886	4,228.642

There was an adjustment for tax in certain subsidiaries in the current quarter due to the closure of the eleven (11) outlets located in First World Hotel, Genting Highlands, please refer note A11.

The effective tax rate for the financial year under review is higher than the statutory tax rate of 24% mainly due to losses before tax of few subsidiaries.

Excluding these loss-making subsidiaries, the effective tax rate for the Group is at 27%, which is higher than the statutory tax rate of 24% due to certain expenses which are non-tax deductible.

**INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER ENDED 31 MARCH 2017****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B7. Status of Corporate Proposals Announced**

There is no outstanding corporate proposal for the current financial quarter under review.

**B8. Group Borrowings**

The Group's borrowings as at 31 March 2017 are as follows:

	<b>Unaudited</b> <b>As at 31-Mar-17</b>	<b>Audited</b> <b>As at 30-Jun-16</b>
	<b>RM</b>	<b>RM</b>
Long-term borrowings		
Secured:		
Hire purchase / lease payables	4,171,902	2,283,755
Term loans	57,781,183	44,506,063
	<u>61,953,085</u>	<u>46,789,818</u>
Short-term borrowings		
Secured:		
Hire purchase / lease payables	2,234,715	1,566,490
Term loans	12,854,940	7,162,051
	<u>15,089,655</u>	<u>8,728,541</u>
Total borrowings	<u>77,042,740</u>	<u>55,518,359</u>

**B9. 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.

**B10. Dividends**

No dividend was declared for the quarter under review.

**B11. 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 31-Mar-17</b>	<b>Audited</b> <b>As at 30-Jun-16</b>
	<b>RM</b>	<b>RM</b>
Total retained earnings		
- realised	90,858,646	89,893,464
- unrealised	(2,124,029)	(2,065,929)
	<u>88,734,617</u>	<u>87,827,535</u>
Add: consolidated adjustments	2,704,462	(1,540,069)
Total retained earnings	<u>91,439,079</u>	<u>86,287,466</u>



**INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER ENDED 31 MARCH 2017**

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

**B12. 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:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31-Mar-17 RM	Preceding Year Corresponding Quarter 31-Mar-16 RM	Current Year To Date 31-Mar-17 RM	Preceding Year Corresponding Period 31-Mar-16 RM
Profit for the period	1,121,681	2,926,089	5,151,613	11,311,801
Weighted average number of ordinary shares in issue	238,072,282	223,446,565	238,072,282	223,446,565
Basic Earnings Per Share (sen)	0.47	1.31	2.16	5.06

(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.

**B13. OPERATING LEASE COMMITMENT**

The future minimum lease payments under operating leases are as follows:-

	Unaudited 31-Mar-17 RM	Audited 30-June-16 RM
Not more than one year	4,369,564	375,669
Later than one year and not later than five years	21,797,829	1,293,354
Later than five years	170,022,996	4,775,250
	196,190,389	6,444,273

The operating lease commitment is due mainly to rental of premises for a period of 45 years