

ONLY WORLD GROUP HOLDINGS BERHAD

(Company No.1033338-K)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2017

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 30 JUNE 2017

	Note	Individual Quarter		Cumulative Quarter	
		UNAUDITED	AUDITED	UNAUDITED	AUDITED
		Current Year Quarter	Preceding Year Correspondin	Current Year To Date	Preceding Year Corresponding
		30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16
		RM	RM	RM	RM
REVENUE		26,813,402	22,729,912	119,985,646	97,966,684
COST OF SALES		(21,493,784)	(16,105,069)	(90,174,138)	(60,445,468)
GROSS PROFIT		5,319,618	6,624,843	29,811,508	37,521,216
OTHER INCOME		3,981,065	2,415,863	7,987,891	4,287,768
		9,300,683	9,040,706	37,799,399	41,808,984
SELLING AND DISTRIBUTION EXPENSES		(557,644)	(332,623)	(2,987,465)	(1,121,865)
ADMINISTRATIVE EXPENSES		(2,823,331)	(5,909,779)	(15,842,680)	(20,160,829)
OTHER EXPENSES		(3,429,921)	(404,202)	(6,892,280)	(1,407,204)
PROFIT FROM OPERATIONS		2,489,787	2,394,102	12,076,974	19,119,086
FINANCE COSTS		(1,490,623)	(371,920)	(3,512,693)	(1,340,960)
PROFIT BEFORE TAXATION	B5	999,164	2,022,182	8,564,281	17,778,126
INCOME TAX EXPENSE	B6	(604,336)	(877,695)	(3,469,222)	(5,106,337)
PROFIT AFTER TAXATION		394,828	1,144,487	5,095,059	12,671,789
OTHER COMPREHENSIVE INCOME	N1	7,055,840	-	7,280,040	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR		7,450,668	1,144,487	12,375,099	12,671,789
PROFIT AFTER TAXATION ATTRIBUTABLE TO :-					
- Owners of the Company		696,852	1,259,827	5,848,465	12,571,626
- Non-Controlling interests		(302,024)	(115,340)	(753,406)	100,163
		394,828	1,144,487	5,095,059	12,671,789
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
- Owners of the Company		7,752,692	1,259,827	13,128,505	12,571,626
- Non-Controlling interests		(302,024)	(115,340)	(753,406)	100,163
		7,450,668	1,144,487	12,375,099	12,671,789
Earnings per share (sen) attributable to Owners of the Company					
- Basic ⁽¹⁾	B12	0.29	0.56	2.43	5.55
- Diluted		N/A	N/A	N/A	N/A

Notes:

N1: Other comprehensive income is due to revaluation gain net of deferred tax liabilities for the group's freehold land and buildings for the financial year ended 30 June 2017

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 30 JUNE 2017

	Note	UNAUDITED AS AT 30-Jun-17 RM	AUDITED AS AT 30-Jun-16 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		169,837,272	82,072,988
Goodwill on consolidation		1,935,540	4,319,440
Intangible asset		502,918	586,052
Prepaid land lease payments		49,868	50,500
Prepaid lease payments		119,128,002	116,991,000
Deferred tax assets		229,000	141,000
Other Investment		375,000	375,000
		292,057,600	204,535,980
CURRENT ASSETS			
Inventories		3,498,763	2,916,834
Trade receivables		5,586,200	985,279
Other receivables, deposits and prepayments		17,700,452	16,272,558
Current tax assets		5,005,842	3,348,555
Prepaid lease payments		2,999,111	193,000
Fixed deposits with licensed banks		15,274,309	18,649,604
Cash and bank balances		7,637,461	14,526,918
		57,702,138	56,892,748
TOTAL ASSETS		349,759,738	261,428,728
EQUITY AND LIABILITIES			
EQUITY			
Share capital		121,442,495	116,999,995
Share premium		34,660,229	20,481,554
Merger deficit		(56,777,171)	(56,777,171)
Revaluation reserve		16,594,559	9,538,719
Capital reserve		1,199,982	1,199,982
Retained profits		93,880,873	86,287,466
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		211,000,967	177,730,545
NON-CONTROLLING INTERESTS		1,120,613	2,227,860
TOTAL EQUITY		212,121,580	179,958,405
NON-CURRENT LIABILITIES			
Long term advances from a non-controlling interest		-	1,200,000
Long-term borrowings	B8	66,888,174	46,789,818
Deferred tax liabilities		4,435,089	2,206,929
Provision for restoration work		-	488,862
		71,323,263	50,685,609
CURRENT LIABILITIES			
Trade payables		3,659,442	3,704,901
Other payables, deposits received and accruals		36,930,601	16,887,302
Short-term borrowings	B8	17,419,274	8,728,541
Bank overdrafts		7,722,582	1,215,275
Provision for taxation		582,996	248,695
		66,314,895	30,784,714
TOTAL LIABILITIES		137,638,158	81,470,323
TOTAL EQUITY AND LIABILITIES		349,759,738	261,428,728
Net assets per share (excluding non-controlling interests) (RM)		0.88 ⁽¹⁾	0.78 ⁽¹⁾

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 240,293,532, and 226,438,346 ordinary shares as at 30 June 2017 and 30 June 2016, respectively.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 30 JUNE 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 year	-	-	-	-	-	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 year	-	-	-	-	-	5,848,465	5,848,465	(753,406)	5,095,059
Other comprehensive income for the financial year:									
- Revaluation of property, plant and equipment	-	-	-	7,055,840	-	-	7,055,840	-	7,055,840
	-	-	-	7,055,840	-	-	7,055,840	-	7,055,840
Contribution by and distributions to owners of the Company:									
- Issuance of new shares	4,442,500	14,482,550	-	-	-	-	18,925,050	-	18,925,050
- shares issuance expenses (1)	-	(303,875)	-	-	-	-	(303,875)	-	(303,875)
	4,442,500	14,178,675	-	-	-	-	18,621,175	-	18,621,175
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	-	1,744,942	1,744,942	(353,841)	1,391,101
Total transactions with owners	4,442,500	14,178,675	-	-	-	1,744,942	20,366,117	(353,841)	20,012,276
At 30 June 2017 (unaudited)	121,442,495	34,660,229	(56,777,171)	16,594,559	1,199,982	93,880,873	211,000,967	1,120,613	212,121,580

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 FOURTH QUARTER ENDED 30 JUNE 2017

	UNAUDITED Current Year To Date 30-Jun-17 RM	AUDITED Preceding Year Corresponding Period 30-Jun-16 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,564,281	17,778,126
Adjustments for:-		
Allowance for impairment loss on goodwill	2,383,900	-
Allowance for impairment loss on property, plant and equipment	936,727	-
Allowance for impairment loss on receivables	227,647	-
Amortisation of prepaid land lease payments	632	631
Amortisation of intangible assets	83,134	114,081
Amortisation of prepaid lease payments	1,601,923	-
Depreciation of property, plant and equipment	11,848,565	6,532,003
Interest expense	3,512,693	1,340,960
Interest income	(499,296)	(445,374)
Operating profit before working capital changes	28,660,206	25,320,427
Increase in inventories	(581,929)	(1,221,004)
(Increase)/decrease in trade and other receivables	(6,256,461)	2,366,626
Increase in trade and other payables	16,554,035	10,387,307
CASH FROM OPERATIONS	38,375,851	36,853,356
Income tax paid	(2,751,241)	(7,101,171)
Income tax refunded	1,017,076	-
Interest paid	(3,512,693)	(1,340,960)
Interest received	499,296	-
NET CASH FROM OPERATING ACTIVITIES	33,628,289	28,411,225
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of a subsidiary, net of cash acquired	-	(4,872,960)
Interest received	-	445,374
Placement of deposits pledged to a licensed bank and with maturity period of more than three months	(4,610,874)	(7,177,922)
Purchase of property, plant and equipment	(91,265,576)	(75,202,990)
Prepaid lease payments	(6,545,036)	-
Purchase of intangible assets	-	(211,799)
Purchase of other investment	-	(375,000)
NET CASH FOR INVESTING ACTIVITIES	(102,421,486)	(87,395,297)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from an investor	-	1,200,000
Dividend paid	-	(5,180,000)
Drawdown of hire purchase and lease payables	6,689,143	-
Drawdown of term loans	27,509,982	28,662,503
Proceeds from issuance of shares	18,925,050	26,400,000
Repayment of hire purchase and lease obligations	(2,947,461)	(964,631)
Repayment of term loans	(2,332,983)	(2,858,062)
Shares issuance expenses paid	(303,875)	(479,905)
NET CASH FROM FINANCING ACTIVITIES	47,539,856	46,779,905
NET DECREASE IN CASH AND CASH EQUIVALENTS	(21,253,341)	(12,204,167)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	21,168,220	33,372,387
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	(85,121)	21,168,220

ONLY WORLD GROUP HOLDINGS BERHAD (Company No.: 1033338-K)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 30 JUNE 2017**

	UNAUDITED Current Year To Date <u>30-Jun-17</u> RM	AUDITED Preceding Year Corresponding <u>30-Jun-16</u> RM
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR COMPRISE:-		
- Fixed deposit with licensed banks	15,274,309	18,649,604
- Cash and bank balances	7,637,461	14,526,918
- Bank overdrafts	<u>(7,722,582)</u>	<u>(1,215,275)</u>
	15,189,188	31,961,247
Less: Deposits pledged with licensed banks	(15,274,309)	(10,663,435)
Less: Bank balance held as escrow	<u>-</u>	<u>(129,592)</u>
	<u>(85,121)</u>	<u>21,168,220</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 FOURTH QUARTER ENDED 30 JUNE 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):-

New MFRSs		
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments/Improvements to MFRSs		
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 107	Statement of Cash Flows – Disclosure Initiatives	1 January 2017
MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 116 & MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
MFRS 116 & 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 FOURTH QUARTER ENDED 30 JUNE 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:-

New MFRSs		
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
Amendments/Improvements to MFRSs		
MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
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 FOURTH QUARTER ENDED 30 JUNE 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 30-Jun-2017					
	Food Service Operations RM	Amusement and Recreation Operations RM	Other Services RM	Total RM	Consolidated RM	The Group RM
Segment revenue						
- External revenue	17,348,273	8,645,138	819,991	26,813,402	-	26,813,402
- Inter segment revenue	2,054,866	379,786	612,029	3,046,681	(3,046,681)	-
Total segment revenue	19,403,139	9,024,924	1,432,020	29,860,083	(3,046,681)	26,813,402
Segment results	4,288,657	4,521,315	(6,320,185)	2,489,787	-	2,489,787
Finance costs	-	-	-	-	-	(1,490,623)
Tax expense	-	-	-	-	-	(604,336)
Profit for the financial period	-	-	-	-	-	394,828

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

	3 months ended 30-Jun-2016					
	Food Service Operations RM	Amusement and Recreation Operations RM	Other Services RM	Total RM	Consolidated RM	The Group RM
Segment revenue						
- External revenue	17,412,139	3,785,165	1,532,608	22,729,912	-	22,729,912
- Inter segment revenue	2,313,992	-	243,105	2,557,097	(2,557,097)	-
Total segment revenue	19,726,131	3,785,165	1,775,713	25,287,009	(2,557,097)	22,729,912
Segment results	2,970,098	(290,770)	(285,226)	2,394,102	-	2,394,102
Finance costs	-	-	-	-	-	(371,920)
Tax expense	-	-	-	-	-	(877,695)
Profit for the financial period	-	-	-	-	-	1,144,487

INTERIM FINANCIAL REPORTING FOR THE FOURTH QUARTER ENDED 30 JUNE 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:

	12 months ended 30-Jun-2017					
	Food Service Operations RM	Amusement and Recreation Operations RM	Other Services RM	Total RM	Consolidated RM	The Group RM
Segment revenue						
- External revenue	83,005,683	31,547,680	5,432,283	119,985,646	-	119,985,646
- Inter segment revenue	11,537,906	2,263,164	2,424,075	16,225,145	(16,225,145)	-
Total segment revenue	94,543,589	33,810,844	7,856,358	136,210,791	(16,225,145)	119,985,646
Segment results	14,509,996	14,091,712	(16,524,734)	12,076,974		12,076,974
Finance costs	-	-	-	-	-	(3,512,693)
Tax expense	-	-	-	-	-	(3,469,222)
Profit for the financial year	-	-	-	-	-	5,095,059

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

	12 months ended 30-Jun-2016					
	Food Service Operations RM	Amusement and Recreation Operations RM	Other Services RM	Total RM	Consolidated RM	The Group RM
Segment revenue						
- External revenue	71,048,411	19,116,580	7,801,693	97,966,684	-	97,966,684
- Inter segment revenue	9,889,013	-	2,480,435	12,369,448	(12,369,448)	-
Total segment revenue	80,937,424	19,116,580	10,282,128	110,336,132	(12,369,448)	97,966,684
Segment results	10,480,897	5,780,623	2,857,566	19,119,086	-	19,119,086
Finance costs	-	-	-	-	-	(1,340,960)
Tax expense	-	-	-	-	-	(5,106,337)
Profit for the financial year	-	-	-	-	-	12,671,789

INTERIM FINANCIAL REPORTING FOR THE FOURTH QUARTER ENDED 30 JUNE 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 30 June 2017 are as follows: -

Capital expenditure commitments	As at 30 Jun 2017 RM
Approved and contracted for - Refurbishment works and renovation of attractions & outlets	6,969,840
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

Save as disclosed below, there were no changes in composition of the Group during the current financial period under review.

Believe It Or Not Sdn Bhd (“**BION**”), a wholly-owned subsidiary of the Company had increased its equity interest in a subsidiary, namely Escaperoom Holdings Sdn Bhd from 60% to 84% on 30 June 2017 and further increased the interest to 90% on 10 August 2017.

A13. Contingent Liabilities or Contingent Assets

The Company provides corporate guarantees amounting to RM60,584,447 (as at 30 June 2016: RM29,636,409) to licensed banks and financial institutions for credit facilities granted to certain subsidiaries. No provisions are recognized on the above liabilities as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

There is no contingent assets as at the date of this report.

INTERIM FINANCIAL REPORTING FOR THE FOURTH QUARTER ENDED 30 JUNE 2017

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

A14. Related Party Disclosures

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30-Jun-17 RM	Preceding Year Corresponding Quarter 30-Jun-16 RM	Current Year To Date 30-Jun-17 RM	Preceding Year Corresponding Period 30-Jun-16 RM
(i) Entities controlled by certain key management personnel:-				
Rental income	45,330	38,510	154,320	147,500
Rental expense	-	(71,697)	(215,091)	(286,788)
(ii) Directors:-				
Rental expense	(270,000)	(270,000)	(1,080,000)	(1,080,000)

B1. Review of Performance of the Group

a) Current Quarter vs. Preceding Year Corresponding Quarter

	Individual Quarter		Deviation	
	30-Jun-17	30-Jun-16	Amount	
	RM	RM	RM	%
Revenue	26,813,402	22,729,912	4,083,490	17.97
Profit before tax	999,164	2,022,182	(1,023,018)	(50.59)

The Group achieved revenue and profit before taxation of RM26.81 million and RM1.00 million respectively for the current financial quarter ended 30 June 2017. The revenue of RM26.81 million represented an increase of RM4.08 million or 17.97% as compared to the revenue of RM22.73 million recorded for the corresponding three (3) months period for the financial quarter ended 30 June 2016.

The increase in revenue was mainly contributed by the increase in revenue of amusement and recreation operations of RM4.86 million from the preceding year financial quarter ended 30 June 2016. This was partly offset by lower revenue contribution from food services operations and other services which decreased by RM0.1 million and RM0.7 million respectively.

The amusement and recreation operations segments recorded an increase in revenue of RM4.86 million attributed mainly to the commencement of operations of 14 family attractions at The TOP, KOMTAR Tower, Penang on 18 December 2016, which contributed approximately RM4.00 million in revenue.

Profit before tax for the financial quarter under review was RM1.00 million as compared to RM2.02 million of the preceding year's financial quarter ended 30 June 2016.

The decrease in profit before tax of RM1.02 million was due mainly to higher financing cost incurred for expansion of business of RM1.1 million.

INTERIM FINANCIAL REPORTING FOR THE FOURTH QUARTER ENDED 30 JUNE 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 (cont'd)****b) Current Year to-date vs. Preceding Financial Year Corresponding Period**

	Year to date		Deviation	
	30-Jun-17	30-Jun-16	Amount	
	RM	RM	RM	%
Revenue	119,985,646	97,966,684	22,018,962	22.48
Profit before tax	8,564,281	17,778,126	(9,213,845)	(51.83)

The Group achieved revenue and profit before taxation of RM119.99 million and RM8.56 million respectively for the current financial period ended 30 June 2017. The revenue of RM119.99 million represented an increase of RM22.02 million or 22.48% as compared to the revenue of RM97.97 million recorded for the corresponding twelve (12) months period for the financial period ended 30 June 2016.

The increase in revenue was mainly contributed by the increase in revenue of food service operations and amusement and recreation operations of RM11.96 million and RM12.43 million respectively.

The increase of revenue in food service operations of RM11.96 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 RM8.10 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 RM2.50 million in revenue in current financial year; and
- (iii) the opening of food court on 14 June 2017 at Genting Premium Outlets had contributed approximately RM0.59 million in revenue.

The amusement and recreation operations segment recorded an increase in revenue of RM12.43 million mainly attributed to:

- (i) the commencement of the 14 family attraction operations at The TOP, KOMTAR Tower, Penang on 18 December 2016, which contributed approximately RM9.2 million in revenue.
- (ii) higher revenue contribution of RM3.23 million from other existing amusement and recreation outlets.

Profit before tax for the financial period under review was RM8.56 million as compared to RM17.78 million of the preceding financial year ended 30 June 2016.

INTERIM FINANCIAL REPORTING FOR THE FOURTH QUARTER ENDED 30 JUNE 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 (cont'd)****a) Current Year to-date vs. Preceding Financial Year Corresponding Period (Cont'd)**

The decrease in profit before tax of RM9.21 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 RM6.80 million; and
- (iii) higher financing cost incurred of RM2.17 million.

This was partly mitigated by:

- (i) the opening of 2 new food service outlets on 17 December 2016 in Skyway Avenue, Genting, namely Richdad and Babajia, which contributed approximately RM0.90 million in profit before tax for current financial year; and
- (ii) the opening of 9 new food service outlets on 18 December 2016 at The TOP, KOMTAR, which contributed approximately RM2.60 million in the current financial period for current financial year.

B2. Variation of Results with the Immediate Preceding Quarter

	3 Months Ended		Deviation	
	30-Jun-17	31-Mar-17	Amount	
	RM	RM	RM	%
Revenue	26,813,402	31,512,952	(4,699,550)	(14.91)
Profit before tax	999,164	453,927	545,237	120.12

The Group's revenue decreased by RM4.70 million or 14.91% from RM31.51 million in the immediate preceding quarter to RM26.81 million in the current financial quarter. Profit before taxation of the Group increased from RM0.45 million in the previous financial quarter to RM1.00 million in the current financial quarter representing a increase of 120.12%.

The decrease in revenue of RM4.70 million as compared to the preceding quarter was due mainly to:

- (i) closing of 12 food service operations at Genting Highlands on April and May 17 resulted in lower revenue of RM3.74 million;
- (ii) lower revenue contribution from the amusement and recreation operations of RM0.31 million; and
- (iii) lower revenue contribution from other services of RM0.7 million.

The higher profit before tax of RM0.54 million as compared to the immediate preceding quarter was due mainly to higher gross profit margin of 2%.

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

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.

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
	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16
	RM	RM	RM	RM
Allowance for impairment loss on goodwill	2,383,900	-	2,383,900	-
Allowance for impairment loss on property, plant and equipment	296,671	-	936,727	-
Allowance for impairment loss on receivables	227,647	-	227,647	-
Amortisation of prepaid land lease payments	158	157	632	631
Amortisation of prepaid lease payments	1,601,923	-	1,601,923	-
Amortisation of intangible assets	28,136	66,370	83,134	114,081
Depreciation of property, plant and equipment	3,029,685	1,974,780	11,848,565	6,532,003
Interest expense	1,490,623	371,921	3,512,693	1,340,960
Interest income	(356,864)	(69,255)	(499,296)	(445,374)

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.

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

B6. Income Tax Expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30-Jun-17 RM	Preceding Year Corresponding Quarter 30-Jun-16 RM	Current Year To Date 30-Jun-17 RM	Preceding Year Corresponding Period 30-Jun-16 RM
<u>Income Tax</u>				
Current tax expenses	1,908,920	877,695	5,158,814	5,106,337
Over provision in current year	(1,304,584)	-	(1,690,559)	-
Under provision in prior years	-	-	967	-
	<u>604,336</u>	<u>877,695</u>	<u>3,469,222</u>	<u>5,106,337</u>

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 25%, which is higher than the statutory tax rate of 24% due to certain expenses which are non-tax deductible.

B7. Status of Corporate Proposals Announced

Private Placement

On 7 July 2017, Public Investment Bank Berhad (“**PIVB**”), on behalf of the Board, announced that the Company is proposing to undertake the private placement of up to 24,288,499 new ordinary shares in OWG (“**Share(s)**”) (“**Placement Share(s)**”) representing up to 10% of the issued share capital of OWG (“**Private Placement**”) (“**Announcement**”). The Private Placement may be implemented in one or more tranches.

On 13 July 2017, PIVB on behalf of the Board announced that the Company had received approval from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing of and quotation for up to 24,288,499 Shares to be issued pursuant to the Private Placement.

On 10 August 2017, PIVB on behalf of the Board, announced that the Board had fixed the issue price for 14,615,010 Placement Shares, representing 6.20% of the issued share capital of OWG as at 9 August 2017, being the first (1st) tranche of the Private Placement at RM1.16 per Placement Share.

On 21 August 2017, PIVB announced that the first (1st) tranche of the Private Placement has been completed following the listing and quotation for 14,615,010 Placement Shares on the Main Market of Bursa Securities.

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

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

B8. Utilisation of Proceeds from Private Placement

The status of utilisation of the proceeds of approximately RM16.95 million from the first (1st) tranche of the Private Placement are as follows:

Details of utilisation of proceeds	Proposed utilisation based on the Announcement	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	
Business expansion	25,000	5,434	-	-	5,434	Within 24 months
Working capital requirements	11,119	11,119	-	-	11,119	Within 24 months
Estimated expenses in relation to the Private Placement	800	400	148	-	252	Within 6 month
Total	36,919	16,953	148	-	16,805	

B8. Group Borrowings

The Group's borrowings as at 30 June 2017 are as follows:

	Unaudited As at 30-Jun-17	Audited As at 30-Jun-16
	RM	RM
Long-term borrowings		
Secured:		
Hire purchase / lease payables	3,431,525	2,283,755
Term loans	63,456,649	44,506,063
	66,888,174	46,789,818
Short-term borrowings		
Secured:		
Hire purchase / lease payables	4,160,402	1,566,490
Term loans	13,258,872	7,162,051
	17,419,274	8,728,541
Total borrowings	84,307,448	55,518,359

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.

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

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.

	Unaudited As at 30-Jun-17	Audited As at 30-Jun-16
	RM	RM
Total retained earnings		
- realised	91,624,629	89,893,464
- unrealised	(1,987,928)	(2,065,929)
	<u>89,636,701</u>	<u>87,827,535</u>
Add: consolidated adjustments	4,244,172	(1,540,069)
Total retained earnings	<u>93,880,873</u>	<u>86,287,466</u>

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 30-Jun-17 RM	Preceding Year Corresponding Quarter 30-Jun-16 RM	Current Year To Date 30-Jun-17 RM	Preceding Year Corresponding Period 30-Jun-16 RM
Profit for the period/year	696,852	1,259,827	5,848,465	12,571,626
Weighted average number of ordinary shares in issue	<u>240,293,532</u>	<u>226,438,346</u>	<u>240,293,532</u>	<u>226,438,346</u>
Basic Earnings Per Share (sen)	<u>0.29</u>	<u>0.56</u>	<u>2.43</u>	<u>5.55</u>

(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 30-Jun-17 RM	Audited 30-Jun-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
	<hr/> 196,190,389	<hr/> 6,444,273

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