

# ONLY WORLD GROUP HOLDINGS BERHAD

(Company No.1033338-K)

## INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 FIRST QUARTER ENDED 30 SEPTEMBER 2017

	Note	Individual Quarter		Cumulative Quarter	
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
		Current Year Quarter 30-Sep-17	Preceding Year Corresponding Quarter 30-Sep-16	Current Year To Date 30-Sep-17	Preceding Year Corresponding Period 30-Sep-16
		RM	RM	RM	RM
REVENUE		30,141,390	28,465,647	30,141,390	28,465,647
COST OF SALES		(22,053,760)	(19,472,524)	(22,053,760)	(19,472,524)
GROSS PROFIT		8,087,630	8,993,123	8,087,630	8,993,123
OTHER INCOME		56,362	156,955	56,362	156,955
		8,143,992	9,150,078	8,143,992	9,150,078
SELLING AND DISTRIBUTION EXPENSES		(433,116)	(718,526)	(433,116)	(718,526)
ADMINISTRATIVE EXPENSES		(3,854,009)	(4,502,578)	(3,854,009)	(4,502,578)
OTHER EXPENSES		(462,088)	(626,337)	(462,088)	(626,337)
PROFIT FROM OPERATIONS		3,394,779	3,302,637	3,394,779	3,302,637
FINANCE COSTS		(935,248)	(407,489)	(935,248)	(407,489)
PROFIT BEFORE TAXATION	<b>B5</b>	2,459,531	2,895,148	2,459,531	2,895,148
INCOME TAX EXPENSE	<b>B6</b>	(389,677)	(1,440,091)	(389,677)	(1,440,091)
PROFIT AFTER TAXATION		2,069,854	1,455,057	2,069,854	1,455,057
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		2,069,854	1,455,057	2,069,854	1,455,057
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
- Owners of the Company		2,170,903	1,324,134	2,170,903	1,324,134
- Non-Controlling interests		(101,049)	130,923	(101,049)	130,923
		2,069,854	1,455,057	2,069,854	1,455,057
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
- Owners of the Company		2,170,903	1,324,134	2,170,903	1,324,134
- Non-Controlling interests		(101,049)	130,923	(101,049)	130,923
		2,069,854	1,455,057	2,069,854	1,455,057
Earnings per share (sen) attributable to Owners of the Company					
- Basic <sup>(1)</sup>	<b>B12</b>	0.87	0.57	0.87	0.57
- 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 2017 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 SEPTEMBER 2017

	UNAUDITED AS AT 30-Sep-17	AUDITED AS AT 30-Jun-17
Note	RM	RM
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	179,973,166	175,044,534
Goodwill on consolidation	1,935,540	1,935,540
Intangible asset	509,908	547,989
Prepaid leases	115,493,869	116,086,956
Deferred tax assets	16,400	16,400
Other Investment	375,000	375,000
	<b>298,303,883</b>	<b>294,006,419</b>
<b>CURRENT ASSETS</b>		
Prepaid leases	3,009,136	3,005,743
Inventories	3,244,909	3,498,763
Trade receivables	8,707,766	4,817,691
Other receivables, deposits and prepayments	14,634,527	14,563,756
Current tax assets	5,171,892	5,197,828
Fixed deposits with licensed banks	19,645,383	15,274,309
Cash and bank balances	3,940,195	6,821,269
	<b>58,353,808</b>	<b>53,179,359</b>
<b>TOTAL ASSETS</b>	<b>356,657,691</b>	<b>347,185,778</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	128,750,000	121,442,495
Share premium	44,118,894	34,660,229
Merger deficit	(56,777,171)	(56,777,171)
Revaluation reserve	18,095,542	18,095,542
Capital reserve	1,199,982	1,199,982
Retained profits	95,157,966	92,987,063
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>230,545,213</b>	<b>211,608,140</b>
NON-CONTROLLING INTERESTS	1,672,331	1,773,380
<b>TOTAL EQUITY</b>	<b>232,217,544</b>	<b>213,381,520</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	68,682,260	66,298,274
Deferred tax liabilities	2,762,483	2,838,483
	<b>71,444,743</b>	<b>69,136,757</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	4,921,776	3,033,082
Other payables, deposits received and accruals	18,649,352	35,044,475
Short-term borrowings	21,264,138	18,652,500
Bank overdrafts	8,160,138	7,700,074
Current tax liabilities	-	237,370
	<b>52,995,404</b>	<b>64,667,501</b>
<b>TOTAL LIABILITIES</b>	<b>124,440,147</b>	<b>133,804,258</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>356,657,691</b>	<b>347,185,778</b>
<b>Net assets per share (excluding non-controlling interests) (RM)</b>	<b>0.90<sup>(1)</sup></b>	<b>0.87<sup>(1)</sup></b>

*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 2017 and the accompanying explanatory notes attached to these audited financial statements.*

*(1) Based on the weighted average number of issued share capital of 257,500,000 and 242,884,990 as at 30 September 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 FIRST QUARTER ENDED 30 SEPTEMBER 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 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 for the financial year	-	-	-	-	-	5,422,750	5,422,750	(558,046)	4,864,704
Other comprehensive income for the financial year:									
- Revaluation of property, plant and equipment	-	-	-	8,556,823	-	-	8,556,823	-	8,556,823
Total comprehensive income for the financial year	-	-	-	8,556,823	-	-	8,556,823	-	8,556,823
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	-	(303,875)	-	-	-	-	(303,875)	-	(303,875)
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	-	1,276,847	1,276,847	103,566	1,380,413
Total transactions with owners	4,442,500	14,178,675	-	-	-	1,276,847	19,898,022	103,566	20,001,588
At 1 July 2017 (audited)	121,442,495	34,660,229	(56,777,171)	18,095,542	1,199,982	92,987,063	211,608,140	1,773,380	213,381,520
Profit after taxation / Total comprehensive income for the financial period	-	-	-	-	-	2,170,903	2,170,903	(101,049)	2,069,854
Contribution by and distributions to owners of the Company:									
- Issuance of new shares	7,307,505	9,645,907	-	-	-	-	16,953,412	-	16,953,412
- shares issuance expenses	-	(187,242)	-	-	-	-	(187,242)	-	(187,242)
Total transactions with owners	7,307,505	9,458,665	-	-	-	-	16,766,170	-	16,766,170
<b>At 30 Sep 2017 (unaudited)</b>	<b>128,750,000</b>	<b>44,118,894</b>	<b>(56,777,171)</b>	<b>18,095,542</b>	<b>1,199,982</b>	<b>95,157,966</b>	<b>230,545,213</b>	<b>1,672,331</b>	<b>232,217,544</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 2017 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 CASH FLOWS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017**

	UNAUDITED Current Year To Date  30-Sep-17 <u>RM</u>	UNAUDITED Preceding Year Corresponding Period 30-Sep-16 <u>RM</u>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit before taxation	2,459,531	2,895,148
<b>Adjustments for:-</b>		
Amortisation of intangible assets	38,081	16,740
Amortisation of prepaid leases	750,660	158
Depreciation of property, plant and equipment	3,992,180	2,132,536
Interest expense	935,248	407,489
Property, plant and equipment written off	71,704	-
Interest income	(48,904)	(36,394)
Operating profit before working capital changes	<u>8,198,500</u>	<u>5,415,677</u>
Decrease/(Increase) in inventories	253,854	(113,722)
Increase in trade and other receivables	(3,960,846)	(216,066)
Decrease in trade and other payables	<u>(14,506,429)</u>	<u>(7,556,311)</u>
<b>CASH FOR OPERATIONS</b>	<u>(10,014,921)</u>	<u>(2,470,422)</u>
Income tax paid	(677,111)	(808,647)
Interest paid	(935,248)	(407,489)
Interest received	<u>48,904</u>	<u>36,394</u>
<b>NET CASH FOR OPERATING ACTIVITIES</b>	<u>(11,578,376)</u>	<u>(3,650,164)</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Addition of prepaid leases	(160,966)	-
Placement of deposits pledged to a licensed bank and with maturity period of more than three months	(4,806,657)	-
Purchase of property, plant and equipment	<u>(8,992,516)</u>	<u>(21,831,747)</u>
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<u>(13,960,139)</u>	<u>(21,831,747)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of hire purchase and lease payables	5,102,238	366,323
Drawdown of term loans	5,436,050	7,093,144
Proceeds from issuance of shares	16,953,412	-
Repayment of hire purchase and lease obligations	(1,475,817)	(179,274)
Repayment of term loans	(4,066,847)	(1,462,576)
Shares issuance expenses paid	(187,242)	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<u>21,761,794</u>	<u>5,817,617</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(3,776,721)	(19,664,294)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<u>(1,579,469)</u>	<u>21,168,220</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<u>(5,356,190)</u>	<u>1,503,926</u>

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED  
30 SEPTEMBER 2017**

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	<b>UNAUDITED Current Year To Date 30-Sep-17 RM</b>	<b>UNAUDITED Preceding Year Corresponding 30-Sep-16 RM</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISE:-</b>		
- Fixed deposit with licensed banks	19,645,383	11,600,054
- Cash and bank balances	3,940,195	5,930,678
- Bank overdrafts	(8,160,138)	(5,233,779)
	<u>15,425,440</u>	<u>12,296,953</u>
Less: Deposits pledged with licensed banks	(19,087,734)	(10,663,435)
Less: Bank balance held as escrow	(1,693,896)	(129,592)
	<u>(5,356,190)</u>	<u>1,503,926</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 2017 and the accompanying explanatory notes attached to these audited financial statements.

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

## INTERIM FINANCIAL REPORTING FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 2017 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 quarter, the Group has adopted the following new accounting standards and interpretations (including the consequences amendments, if any):-

Amendments/Improvements to MFRSs		
MFRS 107	Disclosure Initiative	1 January 2017
MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to MFRSs 2014 – 2016 Cycles: Amendments to MFRS 12: Clarification of the Scope of the Standard		1 January 2017

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.

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 period ended 30 September 2017:-

New MFRSs		
MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019

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

## INTERIM FINANCIAL REPORTING FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017

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

#### 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 period ended 30 September 2017 (*Cont'd*):-

Amendments/Improvements to MFRSs		
MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	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
MFRS 15	Effective Date of MFRS 15	1 January 2018
MFRS 15	Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018
MFRS 140	Transfers of Investment Property	1 January 2018
Annual Improvements to MFRSs 2014 – 2016 Cycles: <ul style="list-style-type: none"><li>Amendments to MFRS 1: Deletion of Short-term Exemptions for First-Time Adopters</li><li>Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value</li></ul>		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 2017.

#### 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 period-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.



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

**INTERIM FINANCIAL REPORTING FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017**

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

**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-Sep-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	15,280,052	13,205,542	1,655,796	30,141,390	-	30,141,390
- Inter segment revenue	989,445	25,528	268,455	1,283,428	(1,283,428)	-
Total segment revenue	16,269,497	13,231,070	1,924,251	31,424,818	(1,283,428)	30,141,390
Segment results	799,506	8,945,291	(6,350,018)	3,394,779	-	3,394,779
Finance costs	-	-	-	-	-	(935,248)
Tax expense	-	-	-	-	-	(389,677)
Profit for the financial period	-	-	-	-	-	2,069,854

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-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	2,608,237	1,886,242	(1,191,842)	3,302,637	-	3,302,637
Finance costs	-	-	-	-	-	(407,489)
Tax expense	-	-	-	-	-	(1,440,091)
Profit for the financial period	-	-	-	-	-	1,455,057

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

**INTERIM FINANCIAL REPORTING FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017**

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

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

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

	3 months ended 30-Sep-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	15,280,052	13,205,542	1,655,796	30,141,390	-	30,141,390
- Inter segment revenue	989,445	25,528	268,455	1,283,428	(1,283,428)	-
Total segment revenue	16,269,497	13,231,070	1,924,251	31,424,818	(1,283,428)	30,141,390
Segment results	799,506	8,945,291	(6,350,018)	3,394,779	-	3,394,779
Finance costs	-	-	-	-	-	(935,248)
Tax expense	-	-	-	-	-	(389,677)
Profit for the financial period	-	-	-	-	-	2,069,854

- 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-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	2,608,237	1,886,242	(1,191,842)	3,302,637	-	3,302,637
Finance costs	-	-	-	-	-	(407,489)
Tax expense	-	-	-	-	-	(1,440,091)
Profit for the financial period	-	-	-	-	-	1,455,057

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

## INTERIM FINANCIAL REPORTING FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017

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

#### A10. Capital Commitments

Capital commitment for property and equipment not provided for as at 30 Sep 2017 are as follows: -

	As at 30 Sep 2017 RM
<b>Capital expenditure commitments</b>	
Approved and contracted for - Refurbishment works and renovation of attractions & outlets	55,579,903
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

The Company provides corporate guarantees amounting to RM63,686,708 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.

#### A14. Related Party Disclosures

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30-Sep-17 RM	Preceding Year Corresponding Quarter 30-Sep-16 RM	Current Year To Date 30-Sep-17 RM	Preceding Year Corresponding Period 30-Sep-16 RM
(i) <b>Entities controlled by certain key management personnel:-</b>				
Rental income	63,330	36,330	63,330	36,330
Rental expense	-	(71,697)	-	(71,697)
(ii) <b>Directors:-</b>				
Rental expense	(270,000)	(270,000)	(270,000)	(270,000)

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

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

##### Current Quarter vs. Preceding Year Corresponding Quarter

	Individual Quarter		Deviation	
	30-Sep-17	30-Sep-16	Amount	
	RM	RM	RM	%
Revenue	30,141,390	28,465,647	1,675,743	5.89
Profit before tax	2,459,531	2,895,148	(435,617)	(15.05)

The Group achieved revenue and profit before taxation of RM30.14 million and RM2.46 million respectively for the current financial quarter ended 30 Sep 2017. The revenue of RM30.14 million represented an increase of RM1.68 million or 5.89% as compared to the revenue of RM28.47 million recorded for the corresponding three (3) months period for the financial quarter ended 30 Sep 2016.

The increase in revenue was mainly contributed by the increase in revenue of amusement and recreation operations. This was partly offset by lower revenue contribution from food services operations.

The amusement and recreation operations segments recorded an increase in revenue of RM6.10 million attributed mainly to the commencement of operations of 14 family attractions at The TOP, KOMTAR Tower, Penang in December 2016 and the new promotion initiatives launched during long school holiday.

The food services operations segments recorded a decrease in revenue of RM4.24 million attributed mainly to the temporary closure of food service outlets since April 2017 at First World Plaza, Genting Highlands in view of the ongoing "Genting Integrated Tourism Plan (GITP) and Twentieth Century Fox World. The decrease is partly mitigated by the opening of new outlets at Sky Avenue, Genting Highlands and Genting Premium Outlets in Dec 2016 and June 2017 respectively.

Profit before tax for the financial quarter under review was RM2.46 million as compared to RM2.90 million of the preceding year's financial quarter ended 30 Sep 2017.

The decrease in profit before tax of RM0.44 million was due mainly to higher financing cost incurred for expansion of business.

#### B2. Variation of Results with the Immediate Preceding Quarter

	3 Months Ended		Deviation	
	30-Sep-17	30-Jun-17	Amount	
	RM	RM	RM	%
Revenue	30,141,390	23,031,740	7,109,650	30.87
Profit before tax	2,459,531	298,767	2,160,764	723.23

The Group's revenue increased by RM7.11 million or 30.87% from RM23.03 million in the immediate preceding quarter to RM30.14 million in the current financial quarter. Profit before taxation of the Group increased from RM0.30 million in the previous financial quarter to RM2.46 million in the current financial quarter representing an increase of 723.23%.

The increase in revenue of RM7.11 million as compared to the preceding quarter was mainly due to higher revenue contribution from the amusement and recreation operations, in line with the new promotion initiatives launched during the long school holiday in the current financial quarter.

The higher profit before tax of RM2.16 million as compared to the immediate preceding quarter was mainly due to inclusion of an impairment of goodwill of RM2.38 million in the previous quarter.

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#### 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 period.

#### 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 30-Sep-17 RM	Preceding Year Corresponding Quarter 30-Sep-16 RM	Current Year To Date 30-Sep-17 RM	Preceding Year Corresponding Period 30-Sep-16 RM
Amortisation of intangible assets	38,081	16,740	38,081	16,740
Amortisation of prepaid leases	750,660	158	750,660	158
Depreciation of property, plant and equipment	3,992,180	2,132,536	3,992,180	2,132,536
Interest expense	935,248	407,489	935,248	407,489
Property, plant and equipment written off	71,704	-	71,704	-
Interest income	(48,904)	(36,394)	(48,904)	(36,394)

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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#### B6. Income Tax Expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30-Sep-17 RM	Preceding Year Corresponding Quarter 30-Sep-16 RM	Current Year To Date 30-Sep-17 RM	Preceding Year Corresponding Period 30-Sep-16 RM
Current tax expense:				
- for the financial period	336,177	1,440,091	336,177	1,440,091
- Underprovision in previous financial year	129,500	-	129,500	-
	465,677	1,440,091	465,677	1,440,091
Deferred tax expense	(76,000)	-	(76,000)	-
	389,677	1,440,091	389,677	1,440,091

The effective tax rate for the financial quarter under review is lower 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 (1<sup>st</sup>) tranche of the Private Placement at RM1.16 per Placement Share.

On 21 August 2017, PIVB announced that the first (1<sup>st</sup>) 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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#### B7. Status of Corporate Proposals Announced (Cont'd)

##### Utilisation of Proceeds from Private Placement

The status of utilisation of the proceeds of approximately RM16.95 million from the first (1<sup>st</sup>) 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	4,595	-	839	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	187	-	213	Within 6 month
<b>Total</b>	<b>36,919</b>	<b>16,953</b>	<b>15,901</b>	<b>-</b>	<b>1,052</b>	

#### B8. Group Borrowings

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

	Unaudited As at 30-Sep-17	Audited As at 30-Jun-17
	RM	RM
Long-term borrowings		
Secured:		
Hire purchase / lease payables	6,000,891	4,007,921
Term loans	62,681,369	62,290,353
	68,682,260	66,298,274
Short-term borrowings		
Secured:		
Hire purchase / lease payables	5,860,784	4,227,333
Term loans	15,403,354	14,425,167
	21,264,138	18,652,500
Total borrowings	89,946,398	84,950,774

#### 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.

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#### 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 30-Sep-17</b>	<b>Audited</b> <b>As at 30-Jun-17</b>
	<b>RM</b>	<b>RM</b>
Total retained earnings		
- realised	94,873,822	97,662,320
- unrealised	(2,746,083)	(2,822,083)
	<u>92,127,739</u>	<u>94,840,237</u>
Add: consolidated adjustments	3,030,227	(1,853,174)
Total retained earnings	<u>95,157,966</u>	<u>92,987,063</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:-

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year Quarter 30-Sep-17</b>	<b>Preceding Year Corresponding Quarter 30-Sep-16</b>	<b>Current Year To Date 30-Sep-17</b>	<b>Preceding Year Corresponding Period 30-Sep-16</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Profit for the period	<u>2,170,903</u>	<u>1,324,134</u>	<u>2,170,903</u>	<u>1,324,134</u>
Weighted average number of ordinary shares in issue	<u>250,033,636</u>	<u>233,999,990</u>	<u>250,033,636</u>	<u>233,999,990</u>
Basic Earnings Per Share (sen)	<u>0.87</u>	<u>0.57</u>	<u>0.87</u>	<u>0.57</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 period-to-date.



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**B13. OPERATING LEASE COMMITMENT**

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

	<b>Unaudited 30-Sep-17 RM</b>	<b>Audited 30-Jun-17 RM</b>
Not more than one year	1,197,021	1,611,214
Later than one year and not later than five years	12,305,496	12,305,496
Later than five years	148,394,872	148,394,872
	<u>161,897,389</u>	<u>162,311,582</u>

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