

# ONLY WORLD GROUP HOLDINGS BERHAD

(Company No.1033338-K)

## INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2018

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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 THIRD QUARTER ENDED 31 MARCH 2018

	Note	Individual Quarter		Cumulative Quarter	
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
		RM'000	RM'000	RM'000	RM'000
REVENUE		33,464	31,513	95,714	93,172
COST OF SALES		(24,353)	(25,830)	(68,410)	(68,681)
GROSS PROFIT		9,111	5,683	27,304	24,491
OTHER INCOME		348	3,693	649	4,006
		9,459	9,376	27,953	28,497
SELLING AND DISTRIBUTION EXPENSES		(236)	(1,180)	(2,062)	(2,429)
ADMINISTRATIVE EXPENSES		(4,462)	(4,607)	(12,478)	(13,019)
OTHER EXPENSES		(453)	(2,094)	(1,284)	(3,462)
PROFIT FROM OPERATIONS		4,308	1,495	12,129	9,587
FINANCE COSTS		(2,772)	(1,041)	(4,785)	(2,022)
PROFIT BEFORE TAXATION	B5	1,536	454	7,344	7,565
INCOME TAX EXPENSE	B6	(262)	380	(1,466)	(2,865)
PROFIT AFTER TAXATION		1,274	834	5,878	4,700
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		1,274	834	5,878	4,700
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
- Owners of the Company		1,326	1,121	6,049	5,151
- Non-Controlling interests		(52)	(287)	(171)	(451)
		1,274	834	5,878	4,700
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
- Owners of the Company		1,326	1,121	6,049	5,151
- Non-Controlling interests		(52)	(287)	(171)	(451)
		1,274	834	5,878	4,700
Earnings per share (sen) attributable to Owners of the Company					
- Basic <sup>(1)</sup>	B11	0.50	0.47	2.35	2.16
- 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 31 MARCH 2018

	UNAUDITED AS AT 31-Mar-18	AUDITED AS AT 30-Jun-17
Note	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	226,179	175,045
Goodwill on consolidation	1,936	1,936
Intangible asset	439	548
Prepaid leases	114,369	116,087
Deferred tax assets	16	16
Other Investment	375	375
	<b>343,314</b>	<b>294,007</b>
<b>CURRENT ASSETS</b>		
Prepaid leases	3,019	3,006
Inventories	4,076	3,498
Trade receivables	10,551	4,818
Other receivables, deposits and prepayments	18,260	14,564
Current tax assets	6,072	5,198
Fixed deposits with licensed banks	21,558	15,274
Cash and bank balances	7,610	6,821
	<b>71,146</b>	<b>53,179</b>
<b>TOTAL ASSETS</b>	<b>414,460</b>	<b>347,186</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	133,550	121,442
Share premium	50,047	34,660
Merger deficit	(56,777)	(56,777)
Revaluation reserve	18,097	18,097
Capital reserve	1,200	1,200
Retained profits	99,190	92,987
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>245,307</b>	<b>211,609</b>
NON-CONTROLLING INTERESTS	1,448	1,773
<b>TOTAL EQUITY</b>	<b>246,755</b>	<b>213,382</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	92,632	66,298
Deferred tax liabilities	2,762	2,838
	<b>95,394</b>	<b>69,136</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	2,926	3,033
Other payables, deposits received and accruals	31,417	35,045
Short-term borrowings	25,984	18,653
Bank overdrafts	11,984	7,700
Current tax liabilities	-	237
	<b>72,311</b>	<b>64,668</b>
<b>TOTAL LIABILITIES</b>	<b>167,705</b>	<b>133,804</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>414,460</b>	<b>347,186</b>
<b>Net assets per share (excluding non-controlling interests) (RM)</b>	<b>0.92<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 number of issued and fully paid up share capital of 267,100,000 and 242,884,990 as at 31 December 2017 and 30 June 2017 respectively.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 MARCH 2018**

	←-----NON-DISTRIBUTABLE----->				DISTRIBUTABLE				
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	MERGER DEFICIT RM'000	REVALUATION RESERVE RM'000	CAPITAL RESERVE RM'000	RETAINED PROFITS RM'000	ATTRIBUTABLE TO OWNERS OF PARENT RM'000	NON CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
At 1 July 2016 (audited)	117,000	20,482	(56,777)	9,539	1,200	86,287	177,731	2,228	179,959
Profit after taxation for the financial year	-	-	-	-	-	5,423	5,423	(558)	4,865
Other comprehensive income for the financial year:									
- Revaluation of property, plant and equipment	-	-	-	8,558	-	-	8,558	-	8,558
Total comprehensive income for the financial year	-	-	-	8,558	-	-	8,558	-	8,558
Contribution by and distributions to owners of the Company:									
- Issuance of new shares	4,442	14,483	-	-	-	-	18,925	-	18,925
- shares issuance expenses	-	(305)	-	-	-	-	(305)	-	(305)
	4,442	14,178	-	-	-	-	18,620	-	18,620
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	-	1,277	1,277	103	1,380
Total transactions with owners	4,442	14,178	-	-	-	1,277	19,897	103	20,000
At 1 July 2017 (audited)	121,442	34,660	(56,777)	18,097	1,200	92,987	211,609	1,773	213,382
Profit after taxation / Total comprehensive income for the financial period	-	-	-	-	-	6,049	6,049	(171)	5,878
Contribution by and distributions to owners of the Company:									
- Issuance of new shares	12,108	15,694	-	-	-	-	27,802	-	27,802
- shares issuance expenses	-	(307)	-	-	-	-	(307)	-	(307)
	12,108	15,387	-	-	-	-	27,495	-	27,495
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	-	154	154	(154)	-
Total transactions with owners	12,108	15,387	-	-	-	154	27,649	(154)	27,495
<b>At 31 March 2018 (unaudited)</b>	<b>133,550</b>	<b>50,047</b>	<b>(56,777)</b>	<b>18,097</b>	<b>1,200</b>	<b>99,190</b>	<b>245,307</b>	<b>1,448</b>	<b>246,755</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 THIRD QUARTER ENDED 31 MARCH 2018**

	UNAUDITED Current Year To Date  31-Mar-18 <u>RM'000</u>	UNAUDITED Preceding Year Corresponding Period 31-Mar-17 <u>RM'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	7,344	7,565
<b>Adjustments for:-</b>		
Amortisation of intangible assets	109	59
Amortisation of prepaid leases	2,261	0
Depreciation of property, plant and equipment	12,776	8,819
Interest expense	4,785	2,022
Property, plant and equipment written off	124	640
Writeback of allowance for doubtful debts	(34)	-
Interest income	(228)	(142)
Operating profit before working capital changes	<u>27,137</u>	<u>18,963</u>
Increase in inventories	(577)	(474)
Increase in trade and other receivables	(9,396)	(11,130)
(Decrease)/Increase in trade and other payables	<u>(3,735)</u>	<u>6,167</u>
<b>CASH FOR OPERATIONS</b>	<u>13,429</u>	<u>13,526</u>
Income tax paid	(2,653)	(1,224)
Income tax refunded	-	1,017
Interest paid	(4,785)	(3,304)
Interest received	<u>228</u>	<u>142</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>6,219</u>	<u>10,157</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Addition of prepaid leases	(556)	-
Placement of deposits pledged to a licensed bank and with maturity period of more than three months	(6,328)	-
Purchase of property, plant and equipment	<u>(64,034)</u>	<u>(67,729)</u>
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<u>(70,918)</u>	<u>(67,729)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of hire purchase and lease payables	5,103	3,870
Drawdown of term loans	44,325	21,430
Proceeds from issuance of shares	27,802	18,925
Repayment of hire purchase and lease obligations	(4,451)	(1,313)
Repayment of term loans	(11,312)	(2,462)
Shares issuance expenses paid	(307)	(294)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<u>61,160</u>	<u>40,156</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(3,539)	(17,416)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	(1,579)	21,168
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<u>(5,118)</u>	<u>3,752</u>

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED  
31 MARCH 2018**

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	<b>UNAUDITED Current Year To Date 31-Mar-18 RM'000</b>	<b>UNAUDITED Preceding Year Corresponding 31-Mar-17 RM'000</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISE:-</b>		
- Fixed deposit with licensed banks	21,558	12,984
- Cash and bank balances	7,610	6,839
- Bank overdrafts	(11,984)	(5,278)
	<u>17,184</u>	<u>14,545</u>
Less: Deposits pledged with licensed banks	(20,993)	(11,808)
Less: Bank balance held as escrow	(1,309)	1,015
	<u>(5,118)</u>	<u>3,752</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 THIRD QUARTER ENDED 31 MARCH 2018

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

#### A1. Basis of Preparation

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

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited Consolidated Financial Statements for the financial year ended 30 June 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 31 December 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 THIRD QUARTER ENDED 31 MARCH 2018

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

#### A2. Changes in Accounting Policies (Cont’d)

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period ended 31 December 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 9	Prepayment Features with Negative Compensation	1 January 2019
MFRS 10 & MFRS 128	Sales or Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred
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 119	Plan Amendment, Curtailment or Settlement	1 January 2019
MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
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
Annual Improvements to MFRS Standards 2015 – 2017 Cycles		1 January 2019

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.



**ONLY WORLD GROUP HOLDINGS BERHAD** (Company No.: 1033338-K)**INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER ENDED 31 MARCH 2018****PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCING REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING****A7. Changes in Debt and Equity Securities**

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

**A8. Dividend Paid/Declared**

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

**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-Mar-2018					
	Food Service Operations RM'000	Amusement and Recreation Operations RM'000	Other Services RM'000	Total RM'000	Consolidated RM'000	The Group RM'000
<b>Segment revenue</b>						
- External revenue	14,515	14,658	4,291	33,464	-	33,464
- Inter segment revenue	3,571	45	(758)	2,858	(2,858)	-
Total segment revenue	18,086	14,703	3,533	36,322	(2,858)	33,464
Segment results	1,377	6,491	(3,560)	4,308	-	4,308
Finance costs	-	-	-	-	-	(2,772)
Tax expense	-	-	-	-	-	(262)
Profit for the financial period	-	-	-	-	-	1,274

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

**INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER ENDED 31 MARCH 2018**

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

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

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

	3 months ended 31-Mar-2017					
	Food Service Operations RM'000	Amusement and Recreation Operations RM'000	Other Services RM'000	Total RM'000	Consolidated RM'000	The Group RM'000
<b>Segment revenue</b>						
- External revenue	20,988	8,960	1,565	31,513	-	31,513
- Inter segment revenue	3,881	630	594	5,105	(5,105)	-
Total segment revenue	24,869	9,590	2,159	36,618	(5,105)	31,513
Segment results	2,372	3,641	(4,518)	1,495	-	1,495
Finance costs	-	-	-	-	-	(1,041)
Tax expense	-	-	-	-	-	380
Profit for the financial period	-	-	-	-	-	834

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

	9 months ended 31-Mar-2018					
	Food Service Operations RM'000	Amusement and Recreation Operations RM'000	Other Services RM'000	Total RM'000	Consolidated RM'000	The Group RM'000
<b>Segment revenue</b>						
- External revenue	44,652	41,908	9,154	95,714	-	95,714
- Inter segment revenue	7,505	158	647	8,310	(8,310)	-
Total segment revenue	52,157	42,066	9,801	104,024	(8,310)	95,714
Segment results	2,995	19,630	(10,496)	12,129	-	12,129
Finance costs	-	-	-	-	-	(4,785)
Tax expense	-	-	-	-	-	(1,466)
Profit for the financial period	-	-	-	-	-	5,878

**ONLY WORLD GROUP HOLDINGS BERHAD** (Company No.: 1033338-K)**INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER ENDED 31 MARCH 2018****PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCING REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING****A9. Segmental Information (Cont’d)**

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

	9 months ended 31-Mar-2017					
	Food Service Operations RM'000	Amusement and Recreation Operations RM'000	Other Services RM'000	Total RM'000	Consolidated RM'000	The Group RM'000
<b>Segment revenue</b>						
- External revenue	64,264	24,296	4,612	93,172	-	93,172
- Inter segment revenue	9,483	1,883	1,812	13,178	(13,178)	-
Total segment revenue	73,747	26,179	6,424	106,350	(13,178)	93,172
Segment results	9,974	9,818	(10,205)	9,587	-	9,587
Finance costs	-	-	-	-	-	(2,022)
Tax expense	-	-	-	-	-	(2,865)
Profit for the financial period	-	-	-	-	-	4,700

**A10. Capital Commitments**

Capital commitment for property and equipment not provided for as at 31 March 2018 are as follows: -

Capital expenditure commitments	As at 31 March 2018 RM'000
Approved and contracted for	
- Refurbishment works and renovation of attractions & outlets	7,019
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.

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

## INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER ENDED 31 MARCH 2018

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

#### A13. Contingent Liabilities or Contingent Assets

The Company provides corporate guarantees amounting to RM99,972,321 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 31-Mar-18 RM'000	Preceding Year Corresponding Quarter 31-Mar-17 RM'000	Current Year To Date 31-Mar-18 RM'000	Preceding Year Corresponding Period 31-Mar-17 RM'000
(i) <b>Entities controlled by certain key management personnel:-</b>				
Rental income	57	36	184	109
Rental expense	-	(72)	-	(215)
(ii) <b>Directors:-</b>				
Rental expense	(270)	(270)	(810)	(810)

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

## INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER ENDED 31 MARCH 2018

### 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

	Individual Quarter		Deviation	
	31-Mar-18	31-Mar-17	Amount	
	RM'000	RM'000	RM'000	%
Revenue	33,464	31,513	1,951	6.19
Profit before tax	1,536	454	1,082	238.33

The Group achieved revenue and profit before taxation of RM33.46 million and RM1.54 million respectively for the current financial quarter ended 31 March 2018. The revenue of RM33.46 million represented an increase of RM1.95 million or 6.19% as compared to the revenue of RM31.51 million recorded for the corresponding three (3) months period for the financial quarter ended 31 March 2017.

The amusement and recreation operations segment recorded an increase in revenue of RM5.69 million due mainly to the commencement of operation of 4 family attractions at Sky Avenue, Genting Highlands in February 2018, 2 new family attractions at the TOP, KOMTAR Tower, Penang in February 2018 and the aggressive promotion initiatives launched during festive season and MATTA Fair in the current financial quarter.

The other services segment recorded an increase in revenue of RM2.73 million due mainly to the commencement of operation of 3 new retail and beauty salon outlets at Sky Avenue, Genting Highlands in December 2017 and 1 new outlet at the TOP, KOMTAR Tower, Penang in January 2018 in the current financial quarter.

The food service operations segment recorded a decrease in revenue of RM6.47 million due mainly to the temporary closure of food service outlets at First World Plaza, Genting Highlands since April 2017 in view of the ongoing "Genting Integrated Tourism Plan (GITP) and Twentieth Century Fox World. However, the decrease is partly mitigated by the opening of Genting Premium Outlets in June 2017 and 4 new outlets at Sky Avenue, Genting Highlands in December 2017 which had increased the number of patrons to the Group's food service outlets.

Profit before tax for the financial quarter under review was RM1.54 million as compared to RM0.45 million of the preceding year's financial quarter ended 31 March 2017. The increase in profit before tax of RM1.08 million was mainly due to:

- (i) higher revenue generated in the current financial quarter; and
- (ii) inclusion of higher selling and distribution cost for the opening promotion of the TOP, KOMTAR Tower, Penang and property, plant and equipment written off due to the temporary closure of food service outlets at First World Plaza, Genting Highlands in the preceding year corresponding quarter.

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## INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER ENDED 31 MARCH 2018

### 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	
	31-Mar-18	31-Mar-17	Amount	
	RM'000	RM'000	RM'000	%
Revenue	95,714	93,172	2,542	2.73
Profit before tax	7,344	7,565	(221)	(2.92)

The Group's revenue increased by RM2.54 million or 2.73% from RM93.17 million in the immediate preceding financial period to RM95.71 million in the current financial period. Profit before taxation of the Group decreased 2.92% from RM7.57 million in the previous financial period to RM7.34 million in the current financial period.

The amusement and recreation operations segment recorded an increase in revenue of RM17.61 million due mainly to the commencement of operation of 4 family attractions at Sky Avenue, Genting Highlands in February 2018, 2 new family attractions at the TOP, KOMTAR Tower, Penang in February 2018 and the aggressive promotion initiatives launched during festive season and MATTA Fair in the current financial period.

The other services segment recorded an increase in revenue of RM4.54 million due mainly to the commencement of operation of 3 new retail and beauty salon outlets at Sky Avenue, Genting Highlands in December 2017 and 1 new outlet at the TOP, KOMTAR Tower, Penang in January 2018 in the current financial period.

The food service operations segment recorded a decrease in revenue of RM19.61 million which was attributed mainly to the temporary closure of food service outlets at First World Plaza, Genting Highlands since April 2017 in view of the ongoing "Genting Integrated Tourism Plan (GITP) and Twentieth Century Fox World. However, the decrease is partly mitigated by the opening of Genting Premium Outlets in June 2017 and 4 new outlets at Sky Avenue, Genting Highlands in December 2017 which had increased the number of patrons to the Group's food service outlets.

The lower profit before tax by RM0.22 million as compared to the immediate preceding financial period was mainly due to higher financing cost incurred for the expansion of business at The TOP, KOMTAR Tower, Penang and Sky Avenue, Genting Highlands.

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

	3 Months Ended		Deviation	
	31-Mar-18	31-Dec-17	Amount	
	RM'000	RM'000	RM'000	%
Revenue	33,464	32,109	1,355	4.22
Profit before tax	1,536	3,348	(1,812)	(54.12)

The Group's revenue increased by RM1.36 million or 4.22% from RM32.11 million in the immediate preceding quarter to RM33.46 million in the current financial quarter. Profit before taxation of the Group decreased 54.12% from RM3.35 million in the previous financial quarter to RM1.54 million in the current financial quarter.

The increase in revenue of RM1.36 million as compared to the preceding quarter was due mainly to higher revenue contribution from the other services segment. The increase in the aforementioned revenue contribution from the segment is due mainly to the commencement of operation of 3 new retail and beauty salon outlets family attractions at Sky Avenue, Genting Highlands in December 2017, 1 new outlet at the TOP, KOMTAR Tower, Penang in January 2018 and the promotion initiatives launched during festive season and MATTA Fair in the current financial quarter.

The decrease in profit before tax of RM1.81 million as compared to the immediate preceding quarter were due mainly to pre-operating cost incurred for the opening of new outlets at Sky Avenue, Genting Highlands, increase in rental expenses for the outlets in Genting Highlands and higher financing cost incurred for the expansion of business.

#### 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; and
- opening more food service outlets that expands the range of dining options at new locations.

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.

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**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 31-Mar-18 RM'000	Preceding Year Corresponding Quarter 31-Mar-17 RM'000	Current Year To Date 31-Mar-18 RM'000	Preceding Year Corresponding Period 31-Mar-17 RM'000
Amortisation of intangible assets	35	6	109	59
Amortisation of prepaid leases	756	0	2,261	0
Depreciation of property, plant and equipment	4,712	3,794	12,776	8,819
Interest expense	2,772	1,041	4,785	2,022
Property, plant and equipment written off	49	640	124	640
Allowance for impairment losses on receivable/(Writeback of allowance for doubtful debts)	2	-	(34)	-
Interest income	(46)	(36)	(228)	(142)

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 31-Mar-18 RM'000	Preceding Year Corresponding Quarter 31-Mar-17 RM'000	Current Year To Date 31-Mar-18 RM'000	Preceding Year Corresponding Period 31-Mar-17 RM'000
Current tax expense:				
Malaysian income tax				
- for the financial period	78	-	1,206	2,875
- Overprovision in current financial year	-	(386)	-	-
- Underprovision in previous financial year	184	6	314	(10)
Foreign tax				
- for the financial period	-	-	22	-
	262	(380)	1,542	2,865
Deferred tax expense	-	-	(76)	-
	262	(380)	1,466	2,865

The effective tax rate for the financial quarter and financial period-to-date under review is lower than the statutory tax rate of 24% mainly due to utilisation of unabsorbed capital allowances and unutilized business losses in subsidiary companies.



**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.

The proceeds of approximately RM16.95 million from the first (1<sup>st</sup>) tranche of the Private Placement of 14,615,010 Placement Shares, has been fully utilised during the financial period.

On 2 January 2018, PIVB on behalf of the Board, announced that the Board had fixed the issue price for 9,673,489 Placement Shares, representing 3.76% of the issued share capital of OWG as at 29 December 2017, being the second (2<sup>nd</sup>) and final tranche of the Private Placement at RM1.13 per Placement Share.

On 10 January 2018, PIVB announced that the second (2<sup>nd</sup>) and final tranche of the Private Placement with proceeds of approximately RM10.85 million has been completed following the listing and quotation for 9,600,000 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 RM27.80 million from the first (1<sup>st</sup>) and second (2<sup>nd</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	16,375	16,375	-	-	Within 24 months
Working capital requirements	11,119	11,119	11,119	-	-	Within 24 months
Estimated expenses in relation to the Private Placement	800	307	307	-	-	Within 6 months
<b>Total</b>	<b>36,919</b>	<b>27,801</b>	<b>27,801</b>	<b>-</b>	<b>-</b>	

**B8. Group Borrowings**

The Group's borrowings as at 31 March 2018 are as follows:

	Unaudited As at 31-Mar-18	Audited As at 30-Jun-17
	RM'000	RM'000
Long-term borrowings		
Secured:		
Hire purchase / lease payables	3,581	4,008
Term loans	89,051	62,290
	92,632	66,298
Short-term borrowings		
Secured:		
Hire purchase / lease payables	5,307	4,228
Term loans	20,677	14,425
	25,984	18,653
Total borrowings	118,616	84,951

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#### 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. 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-18 RM'000	Preceding Year Corresponding Quarter 31-Mar-17 RM'000	Current Year To Date 31-Mar-18 RM'000	Preceding Year Corresponding Period 31-Mar-17 RM'000
Profit for the period	1,326	1,121	6,049	5,151
Weighted average number of ordinary shares in issue	266,353	238,072	257,901	238,072
Basic Earnings Per Share (sen)	0.50	0.47	2.35	2.16

##### (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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**B12. OPERATING LEASE COMMITMENT**

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

	<b>Unaudited 31-Mar-18 RM'000</b>	<b>Audited 30-Jun-17 RM'000</b>
Not more than one year	1,260	1,611
Later than one year and not later than five years	13,434	12,305
Later than five years	146,405	148,395
	<hr/> 161,099	<hr/> 162,311

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