



ONLY WORLD GROUP HOLDINGS BERHAD

(Company No. 1033338-K)

**INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2019**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 Months Ended		9 Months Ended	
	31/03/19	31/03/18	31/03/19	31/03/18
<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Revenue	29,264	33,464	95,651	95,714
Cost of sales	(26,381)	(24,353)	(79,295)	(68,410)
Gross profit	2,883	9,111	16,356	27,304
Other income	320	348	1,464	649
	3,203	9,459	17,820	27,953
Selling and distribution expenses	(423)	(236)	(920)	(2,062)
Administrative expenses	(4,775)	(4,462)	(12,959)	(12,478)
Other expenses	(1,636)	(453)	(2,346)	(1,284)
(Loss)/Profit from operations	(3,631)	4,308	1,595	12,129
Finance costs	(1,871)	(2,772)	(5,928)	(4,785)
(Loss)/Profit before taxation	(5,502)	1,536	(4,333)	7,344
Taxation	(210)	(262)	10,821	(1,466)
(Loss)/Profit after taxation	(5,712)	1,274	6,488	5,878
Other comprehensive income	-	-	-	-
Total comprehensive (expenses)/income for the financial period	(5,712)	1,274	6,488	5,878
(Loss)/Profit after taxation attributable to:-				
- Owners of the Company	(5,485)	1,326	6,685	6,049
- Non-Controlling interests	(227)	(52)	(197)	(171)
	(5,712)	1,274	6,488	5,878
Total comprehensive (expenses)/income attributable to:-				
- Owners of the Company	(5,485)	1,326	6,685	6,049
- Non-Controlling interests	(227)	(52)	(197)	(171)
	(5,712)	1,274	6,488	5,878
(Loss)/Earnings per share (sen) attributable to Owners of the Company				
- Basic	(2.01)	0.50	2.45	2.35
- Diluted	(2.01)	n/a	2.45	n/a

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2018 and the Explanatory Notes for the quarter ended 31 March 2019)



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

**INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2019**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31/03/19 (Unaudited) RM'000	As at 30/06/18 (Audited) RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		211,516	225,987
Goodwill on consolidation		1,936	1,936
Intangible assets		295	295
Prepaid leases		111,496	113,613
Deferred tax assets		12,977	337
		338,220	342,168
CURRENT ASSETS			
Prepaid leases		3,023	3,020
Inventories		2,915	2,559
Trade receivables		3,560	3,491
Other receivables, deposits and prepayments		16,599	12,530
Current tax assets		4,509	4,332
Fixed deposits with licensed banks		27,513	22,967
Cash and bank balances		11,135	11,007
		69,254	59,906
TOTAL ASSETS		407,474	402,074
EQUITY AND LIABILITIES			
EQUITY			
Share capital		197,808	183,597
Reserves		69,246	62,319
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		267,054	245,916
Non-controlling interests		1,411	1,850
TOTAL EQUITY		268,465	247,766
NON-CURRENT LIABILITIES			
Long-term borrowings	B8	77,208	90,519
Deferred tax liabilities		2,088	2,008
Deferred income		992	615
		80,288	93,142
CURRENT LIABILITIES			
Trade payables		3,482	4,594
Other payables, deposits received and accruals		22,365	24,386
Amount owing to directors		635	635
Short-term borrowings	B8	28,108	27,750
Bank overdrafts		3,093	2,675
Current tax liabilities		1,038	1,126
		58,721	61,166
TOTAL LIABILITIES		139,009	154,308
TOTAL EQUITY AND LIABILITIES		407,474	402,074
Net assets per share attributable to Owners of the Company (RM)		0.94	0.92

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2018 and the Explanatory Notes for the quarter ended 31 March 2019)



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

**INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2019**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Non-Distributable →				Distributable		Attributable To Owners of The Group	Non- controlling Interests	Total Equity
	Share Capital	Share Premium	Merger Deficit	Revaluation Reserve	Capital Reserve	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 Months Ended 31 March 2019									
At 1 July 2018	183,597	-	(56,777)	18,096	1,200	99,800	245,916	1,850	247,766
Profit after taxation for the financial period	-	-	-	-	-	6,685	6,685	(197)	6,488
Contribution by and distributions to owners of the Company:									
- issue of shares pursuant to exercise of warrants	14,400	-	-	-	-	-	14,400	-	14,400
- shares issuance expenses	(189)	-	-	-	-	-	(189)	-	(189)
	14,211	-	-	-	-	-	14,211	-	14,211
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	-	242	242	(242)	-
Total transactions with owners	14,211	-	-	-	-	242	14,453	(242)	14,211
At 31 March 2019	<u>197,808</u>	<u>-</u>	<u>(56,777)</u>	<u>18,096</u>	<u>1,200</u>	<u>106,727</u>	<u>267,054</u>	<u>1,411</u>	<u>268,465</u>
9 Months Ended 31 March 2018									
At 1 July 2017	121,442	34,660	(56,777)	18,097	1,200	92,987	211,609	1,773	213,382
Profit after taxation 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
At 31 March 2018	<u>133,550</u>	<u>50,047</u>	<u>(56,777)</u>	<u>18,097</u>	<u>1,200</u>	<u>99,190</u>	<u>245,307</u>	<u>1,448</u>	<u>246,755</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2018 and the Explanatory Notes for the quarter ended 31 March 2019)



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

**INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2019**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 Months Ended	
	31/03/19 RM'000	31/03/18 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(4,333)	7,344
Adjustments for:-		
Amortisation of intangible assets	-	109
Amortisation of prepaid leases	2,266	2,261
Depreciation of property, plant and equipment	18,177	12,776
Interest expense	5,928	4,785
Property, plant and equipment written off	1,271	124
Gain on disposal of property, plant and equipment	(30)	-
Interest income	(994)	(228)
Writeback of allowance for doubtful debts	-	(34)
Operating profit before working capital changes	22,285	27,137
Increase in inventories	(355)	(577)
Increase in trade and other receivables	(4,678)	(9,396)
Decrease in trade and other payables	(2,228)	(3,735)
Cash generated from operations	15,024	13,429
Tax paid	(1,999)	(2,653)
Interest paid	(5,928)	(4,785)
Interest received	994	228
NET CASH GENERATED FROM OPERATIONS	8,091	6,219
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of prepaid leases	(153)	(556)
Placement of fixed deposits	(4,546)	(6,328)
Proceeds from disposal of property, plant and equipment	30	-
Purchase of property, plant and equipment	(4,976)	(64,034)
NET CASH USED IN INVESTING ACTIVITIES	(9,645)	(70,918)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of hire purchase obligations	6,625	5,103
Drawdown of term loans	-	44,325
Proceeds from issuance of shares from private placement	-	27,802
Proceeds from issuance of shares from exercise of warrants	14,400	-
Repayment of hire purchase obligations	(4,088)	(4,451)
Repayment of term loans	(15,487)	(11,312)
Shares issuance expenses paid	(189)	(307)
NET CASH GENERATED FROM FINANCING ACTIVITIES	1,261	61,160
NET DECREASE IN CASH AND CASH EQUIVALENTS	(293)	(3,539)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	7,025	(1,579)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	6,732	(5,118)
CASH AND CASH EQUIVALENTS COMPRISE:-	31/03/19	31/03/18
	RM'000	RM'000
Fixed deposit with licensed banks	27,513	21,558
Cash and bank balances	11,135	7,610
Bank overdrafts	(3,093)	(11,984)
	35,555	17,184
Less: Fixed deposits pledged with licensed banks	(27,513)	(20,993)
Less: Bank balance held as Escrow	(1,310)	(1,309)
	6,732	(5,118)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2018 and the Explanatory Notes for the quarter ended 31 March 2019)



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

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2019

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

A1. Basis of Preparation

The interim financial statement is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read in conjunction with the Group's annual audited financial statements for the financial year ended 30 June 2018 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. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements of the Group for the financial year ended 30 June 2018 except for the adoption of the relevant new MFRSs, amendments to MFRSs and IC Interpretations that are effective for annual periods beginning on or after 1 January 2019 respectively.

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 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
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
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 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
MFRSs 2014 – 2016 Cycles:	• Amendments to MFRS 1: Deletion of Short-term Exemptions for First-Time Adopters	1 January 2018
	• Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018

A2. Significant Accounting Policies (Cont'd)

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 year ended 30 June 2018:-

New MFRSs

MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019

Amendments/Improvements to MFRSs

MFRS 3	Definition of a Business	1 January 2020
MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
MFRS 10 & MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
MFRS 101 & MFRS 108	Definition of Material	1 January 2020
MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
References to the Conceptual Framework in MFRS Standards		1 January 2020
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, except as follows:-

MFRS 16: Leases

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and will replace the current guidance on lease accounting when it becomes effective. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their leased assets and the related lease obligations in the statement of financial position (with limited exceptions). The leased assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. The Group is currently assessing the financial impact that may arise from the adoption of this standard.

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 2018.

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. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow for the current financial quarter and financial year-to-date other than disclosed in this report.

A6. Material Changes in Estimates

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

A7. Debt and Equity Securities

During the financial period ended 31 March 2019, the Company increased its issued and paid up ordinary share capital by way of issuance of 18,000,000 new ordinary shares pursuant to the exercise of warrants.

Save for the above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the nine months ended 31 March 2019.

A8. Dividend Paid

There were no dividends paid or proposed during the current financial quarter and financial year-to-date.

A9. Segmental Information

Segmental information is presented in respect of the Group's business segment which form the primary basis of segmental reporting.

(i) The segmental result for the nine (9) months ended 31 March 2019 was as follows:

	Food Service Operations RM'000	Amusement and Recreation Operations RM'000	Other Services RM'000	Elimination RM'000	The Group RM'000
Segment revenue					
External revenue	48,675	34,275	12,701	-	95,651
Inter-segment revenue	10,593	607	338	(11,538)	-
Total revenue	59,268	34,882	13,039	(11,538)	95,651
Segment profit/(loss)	10,228	18,465	(6,655)	-	22,038
Depreciation and amortisation					(20,443)
Finance costs					(5,928)
Loss before taxation					(4,333)
Taxation					10,821
Profit for the period					6,488

A9. Segmental Information (Cont'd)

(ii) The segmental result for the nine (9) months ended 31 March 2018 was as follows:

	Food Service Operations RM'000	Amusement and Recreation Operations RM'000	Other Services RM'000	Elimination RM'000	Group RM'000
Segment revenue					
External revenue	44,652	41,908	9,154	-	95,714
Inter segment revenue	7,505	158	647	(8,310)	-
Total segment revenue	<u>52,157</u>	<u>42,066</u>	<u>9,801</u>	<u>(8,310)</u>	<u>95,714</u>
Segment profit/(loss)	10,067	28,001	(10,794)	-	27,275
Depreciation and amortisation					(15,146)
Finance costs					(4,785)
Profit before taxation					<u>7,344</u>
Taxation					(1,466)
Profit for the period					<u>5,878</u>

A10. Capital Commitments

Capital commitment for property and equipment not provided for as at 31 March 2019 are as follows:-

	As at 31/03/19 RM'000
Approved and contracted for:-	
Refurbishment work and renovation of attractions and outlets	<u>290</u>

A11. Material Events Subsequent to the End of the Financial Period

There were no material events subsequent to the end of the current quarter.

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 RM88,140,000 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 were no contingent assets as at the date of this report.

A14. Related Party Disclosures

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	31/03/19	31/03/18	31/03/19	31/03/18
	RM'000	RM'000	RM'000	RM'000
(i) Entities controlled by certain key management personnel:-				
Rental income	54	57	163	184
(ii) Directors:-				
Rental expense	(270)	(270)	(810)	(810)



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

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2019

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

B1. Performance Review

(i) Current Quarter vs Preceding Year Corresponding Quarter

	3 Months Ended		Changes	
	31/03/19 RM'000	31/03/18 RM'000	RM'000	%
Revenue	29,264	33,464	(4,200)	-13%
EBITDA	3,272	9,811	(6,539)	-67%
(Loss)/Profit before taxation	(5,502)	1,536	(7,038)	N/A

The Group achieved revenue, EBITDA and loss before taxation of RM29.3 million, RM3.3 million and RM5.5 million respectively for the current financial quarter ended 31 March 2019. The revenue of RM29.3 million represented a decrease of RM4.2 million or 13% as compared to the revenue of RM33.5 million recorded for the corresponding 3-month financial quarter ended 31 March 2018. For the current financial quarter ended 31 March 2019, the segments of 'Food Service Operations' and 'Amusement and Recreation Operations' were the key contributors to the Group's revenue. Out of the Group's revenue of RM29.3 million, 58% was from the segment of 'Food Service Operations' and 27% was from the segment of 'Amusement and Recreation Operations'.

The segment of 'Food Service Operations' recorded an increase in revenue of RM2.5 million in the current financial quarter mainly due to the impact on the opening of Skytropolis Funland, Genting Highlands Indoor Theme Park at Sky Avenue, Genting Highlands in December 2018, which saw an increase in patrons to our food service outlets in Genting Highlands.

The segment of 'Amusement and Recreation Operations' recorded a decrease in revenue of RM6.8 million in the current financial quarter mainly due to the lower volume of business at The Top, Komtar Tower, Penang and the closure of Kota Tinggi Resorts in end of February 2019. The segment of 'Other Service Operations' recorded an increase in revenue of RM0.065 million in the current financial quarter mainly due to the opening of 3 new retail outlets at the Sky Avenue, Genting Highlands in the current quarter as compared to the preceding year corresponding quarter.

Loss before taxation for the current financial quarter was RM5.5 million as compared to profit before taxation of RM1.5 million of the preceding year's corresponding quarter ended 31 March 2018. The decrease of RM7.0 million was mainly due to lower volume of business at The Top, Komtar Tower, Penang.

B1. Performance Review (cont'd)

(ii) Current Year-to-date vs Preceding Year Corresponding Period

	9 Months Ended		Changes	
	31/03/19 RM'000	31/03/18 RM'000	RM'000	%
Revenue	95,651	95,714	(63)	0%
EBITDA	22,038	27,275	(5,237)	-19%
(Loss)/Profit before taxation	(4,333)	7,344	(11,677)	N/A

The Group achieved revenue, EBITDA and loss before taxation of RM95.6 million, RM22.0 million and RM4.3 million respectively for the 9-month financial period ended 31 March 2019. The revenue of RM95.6 million represented a decrease of RM0.1 million or approximately 0.1% as compared to the revenue of RM95.7 million recorded for the corresponding 9-months period for the financial quarter ended 31 March 2018. For the current 9-month financial period ended 31 March 2019, the segments of 'Food Service Operations' and 'Amusement and Recreation Operations' were the key contributors to the Group's revenue. Out of the Group's revenue of RM95.6 million, 51% was from the segment of 'Food Service Operations' and 36% was from the segment of 'Amusement and Recreation Operations'.

The segment of 'Food Service Operations' recorded an increase in revenue of RM4.0 million in the current 9-month financial period ended 31 March 2019 mainly due to the impact on the opening of Skytropolis Funland, Genting Highlands Indoor Theme Park at Sky Avenue, Genting Highlands in December 2018, which saw an increase in patrons to our food service outlets in Genting Highlands.

The segment of 'Amusement and Recreation Operations' recorded a decrease in revenue of RM7.6 million in the current 9-month financial period ended 31 March 2019 mainly due to the lower volume of business at The Top, Komtar Tower, Penang and the closure of Kota Tinggi Resorts in end of February 2019. The segment of 'Other Service Operations' recorded an increase in revenue of RM3.5 million in the current 9-month financial period ended 31 March 2019 mainly due to the opening of 3 new retail outlets at the Sky Avenue, Genting Highlands as compared to the preceding year corresponding period.

Loss before taxation for the current 9-month financial period ended 31 March 2019 was RM4.3 million as compared to profit before taxation of RM7.3 million of the preceding year's corresponding year-to-date ended 31 March 2018. The decrease in profit before taxation of RM11.6 million was mainly due to lower volume of business at The Top, Komtar Tower, Penang, higher depreciation and amortisation charge of by RM5.3 million, higher operating costs by RM3.9 million and written off of Kota Tinggi Resorts of RM1.3 million.

B2. Material Changes in Loss Before Taxation compared with the Immediate Preceding Quarter

Loss before taxation for the current financial quarter was RM5.5 million compared to the immediate preceding quarter profit before taxation of RM0.1 million. The deterioration of performance by RM5.6 million was mainly due to lower volume of business at The Top, Komtar Tower, Penang.

B3. Current Year Prospects

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

- (i) marketing operation effect will be intensified at all existing outlets and facilities;
- (ii) 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
- (iii) opening more food service outlets that expands the range of dining options at new locations.

Premised on the above, the Board is generally positive of the Group’s performance but cautious of the prevailing economic conditions for the financial year ending 30 June 2019.

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

(Loss)/Profit before taxation is stated after charging/(crediting):-

	Individual Quarter	Cumulative Quarter
	3 Months Ended 31/03/19	9 Months Ended 31/03/19
	RM'000	RM'000
Amortisation of prepaid lease	756	2,266
Depreciation of property, plant and equipment	6,146	18,177
Interest expense	1,871	5,928
Interest income	(259)	(994)

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. Taxation

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	31/03/19	31/03/18	31/03/19	31/03/18
	RM'000	RM'000	RM'000	RM'000
Current taxation				
Malaysian - current	345	78	1,874	1,206
Malaysian - prior year	(135)	185	(135)	314
Foreign - current	-	-	-	22
	210	262	1,739	1,542
Deferred taxation	-	-	(12,560)	(76)
	210	262	(10,821)	1,466

B6. Taxation (cont'd)

The Group's effective tax rate for the current financial period was higher than the statutory tax rate mainly due to certain expenses which are non-tax deductible. Losses incurred by certain subsidiary companies were also not available to set off against taxable profits in other companies within the Group.

The deferred taxation is derived from the Investment Tax Allowance ('ITA') incentive under the Promotion of Investment Act 1986. Malaysian Investment Development Authority ('MIDA') has granted one of the Group's subsidiary company the said ITA which qualifies the Company to set off against 70% of the statutory business income derived from the approved business activities.

B7. Status of Corporate Proposals Announced

There were no corporate proposals announced but not completed as at 21 May 2019.

B8. Group Borrowings

	As at 31/03/19 RM'000
Long-term borrowings	
Secured:	
Hire purchase / lease payables	5,554
Term loans	71,654
	<u>77,208</u>
Short-term borrowings	
Secured:	
Hire purchase / lease payables	4,427
Term loans	23,681
	<u>28,108</u>
Total borrowings	<u><u>105,316</u></u>

B9. Changes in 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 14 May 2019, being 7 days prior to the date of this report.

B10. Dividends

No dividend was declared for the current financial quarter and financial year-to-date.

B11. Earnings Per Share ("EPS")

(i) Basic earnings per share

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	31/03/19	31/03/18	31/03/19	31/03/18
(Loss)/Profit attributable to Owners of the Company (RM'000)	(5,485)	1,326	6,685	6,049
Weighted average number of ordinary shares in issue ('000)	273,216	266,353	272,436	257,901
Basic earnings per share (sen)	(2.01)	0.50	2.45	2.35

(ii) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	31/03/19	31/03/18	31/03/19	31/03/18
(Loss)/Profit attributable to Owners of the Company (RM'000)	(5,485)	1,326	6,685	6,049
Weighted average number of ordinary shares in issue ('000)	273,216	266,353	272,436	257,901
Adjustment for potential conversion of warrants ('000)	-*	-	-*	-
	273,216	266,353	272,436	257,901
Diluted (loss)/earnings per share (sen)	(2.01)	n/a	2.45	n/a

* Potential ordinary shares arising from conversion of warrants are not included in the calculation of diluted earnings per share because they are anti-dilutive.

B12. Operating Lease Commitment

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

	As at 31/03/19 RM'000
Not more than one year	6,869
Later than one year and not later than five years	19,484
Later than five years	101,181
	<u>127,534</u>

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

B13. Auditors' Report On Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2018 was unqualified.

B14. Authorisation Of Issue

The interim financial statement was authorised for issuance by the Board of Directors in accordance with a resolution of the Directors on 21 May 2019.