



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

**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>3 Months Ended</b>		<b>6 Months Ended</b>	
	<b>31/12/2019</b>	<b>31/12/2018</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
<i>Note</i>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	37,083	33,442	70,760	66,387
Cost of sales	(27,443)	(27,369)	(54,261)	(52,914)
<b>Gross profit</b>	<b>9,640</b>	<b>6,073</b>	<b>16,499</b>	<b>13,473</b>
Other income	666	819	1,330	1,144
	<b>10,306</b>	<b>6,892</b>	<b>17,829</b>	<b>14,617</b>
Selling and distribution expenses	(421)	(231)	(706)	(497)
Administrative expenses	(4,714)	(4,097)	(8,937)	(8,184)
Other expenses	(1,137)	(349)	(1,732)	(710)
<b>Profit from operations</b>	<b>4,034</b>	<b>2,215</b>	<b>6,454</b>	<b>5,226</b>
Finance costs	(1,650)	(2,087)	(3,424)	(4,057)
<b>Profit before taxation</b>	<b>2,384</b>	<b>128</b>	<b>3,030</b>	<b>1,169</b>
Taxation	401	11,416	(179)	11,031
<b>Profit after taxation</b>	<b>2,785</b>	<b>11,544</b>	<b>2,851</b>	<b>12,200</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the financial period</b>	<b>2,785</b>	<b>11,544</b>	<b>2,851</b>	<b>12,200</b>
<b>Profit after taxation attributable to:-</b>				
- Owners of the Company	2,788	11,531	2,858	12,170
- Non-Controlling interests	(3)	13	(7)	30
	<b>2,785</b>	<b>11,544</b>	<b>2,851</b>	<b>12,200</b>
<b>Total comprehensive income attributable to:-</b>				
- Owners of the Company	2,788	11,531	2,858	12,170
- Non-Controlling interests	(3)	13	(7)	30
	<b>2,785</b>	<b>11,544</b>	<b>2,851</b>	<b>12,200</b>
<b>Earnings per share (sen) attributable to Owners of the Company</b>				
- Basic	0.98	4.23	1.00	4.51
- Diluted	0.98	4.23	1.00	4.51

(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 2019 and the Explanatory Notes for the quarter ended 31 December 2019)



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**INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	As at 31/12/2019 (Unaudited) RM'000	As at 30/6/2019 (Audited) RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		199,016	210,023
Intangible assets		296	296
Prepaid leases		109,783	111,312
Deferred tax assets		12,897	12,897
		321,992	334,528
<b>CURRENT ASSETS</b>			
Prepaid leases		3,037	3,024
Inventories		2,760	2,721
Trade receivables		4,617	3,287
Other receivables, deposits and prepayments		11,714	11,327
Current tax assets		3,910	3,809
Fixed deposits with licensed banks		30,724	28,827
Cash and bank balances		8,735	9,456
		65,497	62,451
<b>TOTAL ASSETS</b>		387,489	396,979
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		197,809	197,809
Reserves		62,732	60,025
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		260,541	257,834
Non-controlling interests		1,371	1,379
<b>TOTAL EQUITY</b>		261,912	259,213
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	B8	60,658	71,827
Deferred tax liabilities		1,510	2,008
Deferred income		1,097	911
		63,265	74,746
<b>CURRENT LIABILITIES</b>			
Trade payables		3,265	3,478
Other payables, deposits received and accruals		26,131	22,886
Amount owing to directors		1,437	1,437
Short-term borrowings	B8	23,951	26,715
Bank overdrafts		6,870	7,785
Current tax liabilities		658	719
		62,312	63,020
<b>TOTAL LIABILITIES</b>		125,577	137,766
<b>TOTAL EQUITY AND LIABILITIES</b>		387,489	396,979
Net assets per share attributable to Owners of the Company (RM)		0.91	0.90

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



**ONLY WORLD GROUP HOLDINGS BERHAD**  
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**INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 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
<b>6 Months Ended 31 December 2019</b>									
<b>At 1 July 2019</b>	197,809	-	(56,777)	18,096	1,200	97,506	257,834	1,379	259,213
Prior year adjustment	-	-	-	-	-	(152)	(152)	-	(152)
As per restated	197,809	-	(56,777)	18,096	1,200	97,354	257,682	1,379	259,061
Profit after taxation for the financial period	-	-	-	-	-	2,858	2,858	(7)	2,851
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	-	1	1	(1)	-
Total transactions with owners	-	-	-	-	-	1	1	(1)	-
<b>At 31 December 2019 (Unaudited)</b>	<b>197,809</b>	<b>-</b>	<b>(56,777)</b>	<b>18,096</b>	<b>1,200</b>	<b>100,213</b>	<b>260,541</b>	<b>1,371</b>	<b>261,912</b>



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**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
<b>6 Months Ended 31 December 2018</b>									
<b>At 1 July 2018</b>	183,597	-	(56,777)	18,096	1,200	99,800	245,916	1,850	247,766
Profit after taxation for the financial period	-	-	-	-	-	12,170	12,170	30	12,200
Contribution by and distributions to owners of the Company:									
- issue of shares pursuant to exercise of warrants	8,000	-	-	-	-	-	8,000	-	8,000
- shares issuance expenses	(189)	-	-	-	-	-	(189)	-	(189)
	7,811	-	-	-	-	-	7,811	-	7,811
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	-	242	242	(242)	-
Total transactions with owners	7,811	-	-	-	-	242	8,053	(242)	7,811
<b>At 31 December 2018 (Unaudited)</b>	<b>191,408</b>	<b>-</b>	<b>(56,777)</b>	<b>18,096</b>	<b>1,200</b>	<b>112,212</b>	<b>266,139</b>	<b>1,638</b>	<b>267,777</b>

(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 2019 and the Explanatory Notes for the quarter ended 31 December 2019)



**ONLY WORLD GROUP HOLDINGS BERHAD**  
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**INTERIM FINANCIAL REPORT  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	6 Months Ended	
	31/12/2019 RM'000	31/12/2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,030	1,169
Adjustments for:-		
Amortisation of prepaid leases	1,516	1,510
Depreciation of property, plant and equipment	12,319	12,030
Impairment loss on property, plant and equipment	257	-
Interest expense	3,424	4,057
Property, plant and equipment written off	58	-
Interest income	(408)	(735)
Operating profit before working capital changes	20,196	18,031
Increase in inventories	(38)	(121)
Increase in trade and other receivables	(1,718)	(3,390)
Increase in trade and other payables	3,347	655
Cash generated from operations	21,787	15,175
Tax paid	(839)	(720)
Interest paid	(3,424)	(4,057)
Interest received	408	735
<b>NET CASH GENERATED FROM OPERATIONS</b>	<u>17,932</u>	<u>11,133</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition of prepaid leases	-	(153)
Placement of fixed deposits	(1,896)	(2,840)
Purchase of property, plant and equipment	(1,627)	(2,444)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(3,523)</u>	<u>(5,437)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares from exercise of warrants	-	8,000
Repayment of hire purchase obligations	(1,974)	(2,865)
Repayment of term loans	(11,960)	(9,265)
Shares issuance expenses paid	-	(189)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(13,934)</u>	<u>(4,319)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	475	1,377
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	360	7,025
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<u>835</u>	<u>8,402</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
	<b>RM'000</b>	<b>RM'000</b>
Fixed deposit with licensed banks	30,724	25,807
Cash and bank balances	8,735	12,354
Bank overdrafts	(6,870)	(2,643)
	32,589	35,518
Less: Fixed deposits pledged with licensed banks	(30,724)	(25,807)
Less: Bank balance held as Escrow	(1,030)	(1,309)
	<u>835</u>	<u>8,402</u>

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



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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019**

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**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 2019 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 2019 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:	<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

## A2. Significant Accounting Policies (Cont'd)

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements. No material impact on the Group's financial statements other than the new classification of financial assets under MFRS 9 which is disclosed in Note 41.3 of the financial statements for the Financial Year Ended 30 June 2019. There was no impact on the Group's financial statements because the timing and amount of revenue recognised under MFRS 15 is consistent with the Group's current practice.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

### New MFRSs

MFRS 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 accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application 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 2019.

## 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.

#### 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

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and financial year-to-date.

#### 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 six (6) months ended 31 December 2019 was as follows:

	<b>Food Service Operations RM'000</b>	<b>Amusement and Recreation Operations RM'000</b>	<b>Other Services RM'000</b>	<b>Elimination RM'000</b>	<b>The Group RM'000</b>
<b>Segment revenue</b>					
External revenue	38,948	22,963	8,849	-	70,760
Inter-segment revenue	9,378	124	320	(9,822)	-
<b>Total revenue</b>	<b>48,326</b>	<b>23,087</b>	<b>9,169</b>	<b>(9,822)</b>	<b>70,760</b>
<b>Segment profit/(loss)</b>	10,732	11,706	(1,834)	-	20,604
Depreciation and amortisation					(13,835)
Impairment loss on property, plant and equipment					(257)
Property, plant and equipment written off					(58)
Finance costs					(3,424)
Profit before taxation					3,030
Taxation					(179)
<b>Profit for the year</b>					<b>2,851</b>



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

(ii) The segmental result for the six (6) months ended 31 December 2018 was as follows:

	<b>Food Service Operations RM'000</b>	<b>Amusement and Recreation Operations RM'000</b>	<b>Other Services RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Segment revenue</b>					
External revenue	31,652	26,390	8,345	-	66,387
Inter segment revenue	6,607	173	214	(6,994)	-
<b>Total segment revenue</b>	<b>38,259</b>	<b>26,563</b>	<b>8,559</b>	<b>(6,994)</b>	<b>66,387</b>
<b>Segment profit/(loss)</b>	6,332	15,971	(3,537)	-	18,766
Depreciation and amortisation					(13,540)
Finance costs					(4,057)
Profit before taxation					1,169
Taxation					11,031
<b>Profit for the year</b>					<b>12,200</b>

#### A10. Capital Commitments

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

	<b>As at 31/12/2019 RM'000</b>
Approved and contracted for:-	
Refurbishment work and renovation of attractions and outlets	98

#### 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 RM73,017,000 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		6 Months Ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
(i) Entities controlled by certain key management personnel:-				
Rental income	54	54	109	109
(ii) Directors:-				
Rental expense	(270)	(270)	(540)	(540)



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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 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	
	31/12/2019 RM'000	31/12/2018 RM'000	RM'000	%
Revenue	37,083	33,442	3,641	11%
EBITDA	11,358	8,960	2,398	27%
Profit before taxation	2,384	128	2,256	1763%

The Group achieved revenue, EBITDA and profit before taxation of RM37.1 million, RM11.4 million and RM2.4 million respectively for the current financial quarter ended 31 December 2019. The revenue of RM37.1 million represented an increase of RM3.6 million or approximately 11% as compared to the revenue of RM33.4 million recorded for the corresponding 3-month financial quarter ended 31 December 2018. The Food Service Operations segment and Amusement and Recreation Operations segment remain the key contributors to the Group's revenue. Out of the total Group's revenue of RM37.1 million, approximately 56% was contributed from the Food Service Operations segment and approximately 35% was from the Amusement and Recreation Operations segment.

The Food Service Operations segment recorded an increase in revenue of RM3.1 million to RM20.7 million in the current financial quarter when compared with the preceding year corresponding quarter of RM17.6 million, mainly due to the full 3-month quarter impact of the opening of Skytropolis Funland, 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 as well as the impact of the opening of a new food service outlet at Bangsar Shopping Centre in May 2019.

The Amusement and Recreation Operations segment recorded revenue of RM12.9 million for the current financial quarter, which is RM1.4 million higher when compared with the preceding year corresponding quarter of RM11.5 million. The increase was mainly derived from the aggressive promotion during the long school holidays and festive season.

Profit before taxation for the current financial quarter was RM2.4 million as compared to profit before taxation of RM0.1 million for the preceding year's corresponding quarter ended 31 December 2018. The increase of RM2.3 million was mainly due to higher volume of tourist footfall during the school holidays and festive season.

## B1. Performance Review (cont'd)

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

	6 Months Ended		Changes	
	31/12/2019	31/12/2018	RM'000	%
Revenue	70,760	66,387	4,373	7%
EBITDA	20,604	18,766	1,838	10%
Profit before taxation	3,030	1,169	1,861	159%

The Group achieved revenue, EBITDA and profit before taxation of RM70.8 million, RM20.6 million and RM3.0 million respectively for the 6-month financial year ended 31 December 2019. The revenue of RM70.8 million represented an increase of RM4.4 million or approximately 7% as compared to the revenue of RM66.4 million recorded for the corresponding 6-months period for the financial year ended 31 December 2018. For the current 6-month financial year ended 31 December 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 RM70.8 million, approximately 55% was from the segment of 'Food Service Operations' and approximately 32% was from the segment of 'Amusement and Recreation Operations'.

The segment of 'Food Service Operations' recorded an increase in revenue of RM7.2 million to RM38.9 million in the current 6-month financial year ended 31 December 2019 when compared with the preceding year corresponding 6-months period for the financial year ended 31 December 2018 of RM31.7 million, mainly due to the full 3-month quarter impact of the opening of Skytropolis Funland, 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 as well as the impact of the opening of a new food service outlet at Bangsar Shopping Centre in May 2019.

The segment of 'Amusement and Recreation Operations' recorded a decrease in revenue of RM3.4 million in the current 6-month financial year ended 31 December 2019 mainly due to the lower volume of business at The Top, Komtar Tower, Penang and the closure of Kota Tinggi Resorts in the end of February 2019.

Profit before taxation for the current 6-month financial year ended 31 December 2019 was RM3.0 million as compared to profit before taxation of RM1.2 million of the preceding year's corresponding year-to-date ended 31 December 2018. The increase in profit before taxation of RM1.8 million was mainly due to full 3-month quarter impact of the opening of Skytropolis Funland, Indoor Theme Park at Sky Avenue, Genting Highlands in December 2018, as well as the full 3-month quarter impact of the opening of a new food service outlet at Bangsar Shopping Centre in May 2019.

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

Profit before taxation increased by RM1.8 million from RM0.6 million in the immediate preceding quarter to RM2.4 million in the current financial quarter. The improvement was mainly due to higher revenue contribution from the food service operations and amusement and recreation operations segment, in line with the promotion initiatives launched during the long school holidays and festive season in the current financial quarter.

### **B3. Current Year Prospects**

The overall market sentiment, including the tourism industry has decelerated due to the Novel Coronavirus (“Covid-19”) outbreak. With the uncertainties in the external conditions arising from the Covid-19 outbreak, our Board of Directors (“Board”) is generally cautious of the Group’s performance during this period. Notwithstanding that, we will use our best endeavours to intensify our business strategies to mitigate the Covid-19 outbreak impact on our Group’s performance for the financial year ending 30 June 2020.

Further, once the Covid-19 outbreak is over, our Board will resume its business expansion plan, which is focused in the following areas:

- (i) 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
- (ii) opening more food service outlets that expands the range of dining options at new locations.

### **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 taxation is stated after charging/(crediting):-

	Individual Quarter	Cumulative Quarter
	3 Months Ended	6 Months Ended
	31/12/2019	31/12/2019
	RM'000	RM'000
Amortisation of prepaid lease	760	1,516
Depreciation of property, plant and equipment	6,260	12,319
Impairment loss on property, plant and equipment	246	257
Property, plant and equipment written off	58	58
Interest expense	1,650	3,424
Interest income	(165)	(408)

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		6 Months Ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
Current taxation				
Malaysian - current	-	1,144	-	1,529
Malaysian - prior year	25	-	677	-
	25	1,144	677	1,529
Deferred taxation	(426)	(12,560)	(498)	(12,560)
	(401)	(11,416)	179	(11,031)

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 February 2020.

**B8. Group Borrowings**

	As at 31/12/2019 RM'000
Long-term borrowings	
Secured:	
Hire purchase / lease payables	4,374
Term loans	56,284
	<u>60,658</u>
Short-term borrowings	
Secured:	
Hire purchase / lease payables	2,396
Term loans	21,555
	<u>23,951</u>
Total borrowings	<u>84,609</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 February 2020, 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		6 Months Ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Profit attributable to Owners of the Company (RM'000)	2,788	11,531	2,858	12,170
Weighted average number of ordinary shares in issue ('000)	285,100	272,861	285,100	269,980
Basic earnings per share (sen)	<u>0.98</u>	<u>4.23</u>	<u>1.00</u>	<u>4.51</u>

### (ii) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Profit attributable to Owners of the Company (RM'000)	2,788	11,531	2,858	12,170
Weighted average number of ordinary shares in issue ('000)	285,100	272,861	285,100	269,980
Adjustment for potential conversion of warrants ('000)	-*	-*	-*	-*
	<u>285,100</u>	<u>272,861</u>	<u>285,100</u>	<u>269,980</u>
Diluted earnings per share (sen)	<u>0.98</u>	<u>4.23</u>	<u>1.00</u>	<u>4.51</u>

\* 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 31/12/2019 RM'000
Not more than one year	5,897
Later than one year and not later than five years	19,114
Later than five years	99,150
	<u>124,161</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 2019 was unqualified.

**B14. Authorisation Of Issue**

The interim financial statements was authorised for issuance by the Board of Directors in accordance with a resolution of the Directors on 21 February 2020.