



ONLY WORLD GROUP HOLDINGS BERHAD

Registration No: 201201041977 (1033338-K)

INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2020

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 Months Ended		9 Months Ended	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Note	RM'000	RM'000	RM'000	RM'000
Revenue	19,110	29,264	89,870	95,651
Cost of sales	(23,364)	(26,381)	(77,626)	(79,295)
Gross (loss)/profit	(4,254)	2,883	12,244	16,356
Other income	465	320	1,795	1,464
	(3,789)	3,203	14,039	17,820
Selling and distribution expenses	(171)	(423)	(877)	(920)
Administrative expenses	(4,273)	(4,775)	(13,210)	(12,959)
Other expenses	(595)	(1,636)	(2,327)	(2,346)
(Loss)/profit from operations	(8,828)	(3,631)	(2,375)	1,595
Finance costs	(4,238)	(1,871)	(7,662)	(5,928)
Loss before taxation	(13,066)	(5,502)	(10,037)	(4,333)
Taxation	15	(210)	(164)	10,821
(Loss)/profit after taxation	(13,051)	(5,712)	(10,201)	6,488
Other comprehensive income	-	-	-	-
Total comprehensive expenses for the financial period	(13,051)	(5,712)	(10,201)	6,488
(Loss)/profit after taxation attributable to:-				
- Owners of the Company	(13,045)	(5,485)	(10,188)	6,685
- Non-Controlling interests	(6)	(227)	(13)	(197)
	<u>(13,051)</u>	<u>(5,712)</u>	<u>(10,201)</u>	<u>6,488</u>
Total comprehensive expenses attributable to:-				
- Owners of the Company	(13,045)	(5,485)	(10,188)	6,685
- Non-Controlling interests	(6)	(227)	(13)	(197)
	<u>(13,051)</u>	<u>(5,712)</u>	<u>(10,201)</u>	<u>6,488</u>
(Loss)/profit per share (sen) attributable to Owners of the Company				
- Basic	(4.58)	(2.01)	(3.57)	2.45
- Diluted	(4.58)	(2.01)	(3.57)	2.45

(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 March 2020)



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INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/3/2020 (Unaudited) RM'000	As at 30/6/2019 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	168,373	210,023
Right-of-use assets	88,605	-
Intangible assets	303	296
Prepaid leases	109,024	111,312
Deferred tax assets	12,897	12,897
	379,202	334,528
CURRENT ASSETS		
Prepaid leases	3,037	3,024
Inventories	2,843	2,721
Trade receivables	4,651	3,287
Other receivables, deposits and prepayments	10,805	11,327
Current tax assets	2,902	3,809
Fixed deposits with licensed banks	31,422	28,827
Cash and bank balances	3,737	9,456
	59,397	62,451
TOTAL ASSETS	438,599	396,979
EQUITY AND LIABILITIES		
EQUITY		
Share capital	197,809	197,809
Reserves	49,685	60,025
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	247,494	257,834
Non-controlling interests	1,366	1,379
TOTAL EQUITY	248,860	259,213
NON-CURRENT LIABILITIES		
Leases liabilities	69,290	-
Long-term borrowings	50,907	71,827
Deferred tax liabilities	1,510	2,008
Deferred income	1,102	911
	122,809	74,746
CURRENT LIABILITIES		
Trade payables	979	3,478
Other payables, deposits received and accruals	30,363	22,886
Amount owing to directors	1,427	1,437
Leases liabilities	1,651	-
Short-term borrowings	21,564	26,715
Bank overdrafts	10,676	7,785
Current tax liabilities	270	719
	66,930	63,020
TOTAL LIABILITIES	189,739	137,766
TOTAL EQUITY AND LIABILITIES	438,599	396,979
Net assets per share attributable to Owners of the Company (RM)	0.87	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 March 2020)



ONLY WORLD GROUP HOLDINGS BERHAD

Registration No: 201201041977 (1033338-K)

INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2020

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	
9 Months Ended 31 March 2020									
At 1 July 2019	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	-	-	-	-	-	(10,188)	(10,188)	(13)	(10,201)
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-	-
At 31 March 2020 (Unaudited)	197,809	-	(56,777)	18,096	1,200	87,166	247,494	1,366	248,860



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(Company No. 1033338-K)

INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2020

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 (Unaudited)	197,808	-	(56,777)	18,096	1,200	106,727	267,054	1,411	268,465

(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 March 2020)



ONLY WORLD GROUP HOLDINGS BERHAD
Registration No: 201201041977 (1033338-K)

**INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2020**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 Months Ended	
	31/3/2020	31/3/2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(10,037)	(4,333)
Adjustments for:-		
Amortisation of prepaid leases	2,275	2,266
Depreciation of property, plant and equipment	17,008	18,177
Depreciation of right-of-use assets	9,425	-
Impairment loss on property, plant and equipment	257	-
Interest expense on lease liabilities	2,716	-
Other interest expense	4,946	5,928
Property, plant and equipment written off	58	1,271
Gain on disposal of property, plant and equipment	-	(30)
Interest income	(587)	(994)
Operating profit before working capital changes	26,061	22,285
Increase in inventories	(122)	(355)
Increase in trade and other receivables	(841)	(4,678)
Increase/(Decrease) in trade and other payables	6,329	(2,228)
(Decrease)/Increase in amount due to Directors	(10)	-
Cash generated from operations	31,417	15,024
Tax paid	(206)	(1,999)
Interest paid	(7,662)	(5,928)
Interest received	587	994
NET CASH GENERATED FROM OPERATIONS	24,136	8,091
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to right-of-use assets	(71,334)	-
Addition of prepaid leases	-	(153)
Placement of fixed deposits	(2,595)	(4,546)
Proceeds from disposal of property, plant and equipment	-	30
Purchase of property, plant and equipment	(2,375)	(4,976)
NET CASH USED IN INVESTING ACTIVITIES	(76,304)	(9,645)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of hire purchase obligations/lease liabilities	71,334	6,625
Proceeds from issuance of shares from exercise of warrants	-	14,400
Repayment of hire purchase obligations/lease liabilities	(9,138)	(4,088)
Repayment of term loans	(17,327)	(15,487)
Shares issuance expenses paid	-	(189)
NET CASH GENERATED FROM FINANCING ACTIVITIES	44,869	1,261
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,299)	(293)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	360	7,025
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	(6,939)	6,732

(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 March 2020)



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

INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	9 Months Ended	
	31/3/2020	31/3/2019
	RM'000	RM'000
CASH AND CASH EQUIVALENTS COMPRISE:-		
Fixed deposit with licensed banks	31,422	27,513
Cash and bank balances	3,737	11,135
Bank overdrafts	(10,676)	(3,093)
	<u>24,483</u>	<u>35,555</u>
Less: Fixed deposits pledged with licensed banks	(31,422)	(27,513)
Less: Bank balance held as Escrow	-	(1,310)
	<u>(6,939)</u>	<u>6,732</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 year ended 31 March 2020)



ONLY WORLD GROUP HOLDINGS BERHAD Registration No: 201201041977 (1033338-K)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2020

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 16	Leases
IC Interpretation 23	Uncertainty Over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	

Other than MFRS 16, the adoption of these amendments and interpretation does not result in any significant change to the accounting policies and do not have a material impact on the interim financial report of the Group.

A2. Significant Accounting Policies (Cont'd)

MFRS 16 “Leases”

MFRS 16 “Leases” supersedes MFRS 117 “Leases” and the related interpretations. MFRS 16 eliminates the classification of leases by the lessee as either finance leases or operating leases. MFRS 16 introduces a single accounting model, requiring the lessee to recognise the “right-of-use” of the underlying asset and the lease liability reflecting future lease payment liabilities in the statement of financial position. The right-of-use asset is depreciated in accordance with the principles in MFRS 116 “Property, Plant and Equipment” and the lease liability is accreted over time with interest expense recognised in the statement of comprehensive income. For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

On 1 Jan 2020, the Group adopted the modified retrospective approach and not restate prior year/period comparatives information which remain as previously reported under MFRS 117 and related interpretations.

The Group made use of the transition practical expedient in the standard to not recognised lease arrangements for which the lease term ends within 12 months of the date of initial application. The Group has elected, on a lease-by-lease basis, to recognise the right-of-use assets at the amount equal to the lease liabilities, hence, there were no impact to the retained earnings brought forward as at 1 July 2019.

The effects of adopting MFRS 16 to the Group as at 1 July 2019 were as follows:

Group			
Statements of Financial Position	30 June 2019	Changes	1 July 2019
	RM'000	RM'000	RM'000
Non-current assets			
Right-of-use-assets	-	98,030	98,030
Non-current Liabilities			
Lease liabilities	-	69,734	69,734
Current liabilities			
Lease liabilities	-	10,345	10,345

A2. Significant Accounting Policies (Cont'd)

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

New MFRSs

MFRS 17	Insurance Contracts	1 January 2021
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Amendments/Improvements to MFRSs

MFRS 3	Definition of a Business	1 January 2020
MFRS 9, MFRS 139 & MFRS 7	Interest Rate Benchmark Reform	1 January 2020
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 101	Classification of Liabilities as Current or Non-current	1 January 2022
References to the Conceptual Framework in MFRS Standards		1 January 2020

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 nine (9) months ended 31 March 2020 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	50,672	27,319	11,879	-	89,870
Inter-segment revenue	12,030	146	434	(12,610)	-
Total revenue	62,702	27,465	12,313	(12,610)	89,870
Segment profit/(loss)	10,845	11,278	4,525	-	26,648
Depreciation and amortisation					(28,708)
Impairment loss on property, plant and equipment					(257)
Property, plant and equipment written off					(58)
Finance costs					(7,662)
Loss before taxation					(10,037)
Taxation					(164)
Loss for the period					(10,201)

(ii) 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	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 segment 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

A10. Capital Commitments

Capital commitment for property and equipment not provided for as at 31 March 2020 are as follows:-

	As at 31/3/2020 RM'000
Approved and contracted for:-	
Refurbishment work and renovation of attractions and outlets	<u>1,663</u>

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

In order to curb the spread of Covid-19, Malaysia implemented the Movement Control Order ("MCO") which prohibits all premises from operating except those providing essential services. The MCO came into force on 18 March 2020. Subsequently on 4 May 2020, the Government has enforced a conditional MCO ("CMCO"), however most of our business in Genting Highlands, The Top, Penang and all the water parks remain closed as the family attractions and entertainment do not falls into the approved activities.

The Group has been focusing on complying with the Government's directive on the MCO in order to curb the spread of the virus. During the MCO period, all of our Food Service Operations and Amusement and Recreation Operations in Genting Highlands and The Top, Penang, are temporarily closed, with the exception of essential services such as food service outlets in Shah Alam and Bangsar which remain accessible to the public.

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 RM72,995,000 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	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
	RM'000	RM'000	RM'000	RM'000
(i) Entities controlled by certain key management personnel:-				
Rental income	54	54	163	163
Sales of food and beverages	195		765	765
(ii) Directors:-				
Rental expense	(270)	(270)	(810)	(810)



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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2020

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	
	31/3/2020 RM'000	31/3/2019 RM'000	RM'000	%
Revenue	19,110	29,264	(10,154)	-35%
EBITDA	6,045	3,272	2,773	85%
Loss before taxation	(13,066)	(5,502)	(7,564)	-137%

The Group achieved revenue, EBITDA and loss before taxation of RM19.1 million, RM6.0 million and RM13.1 million respectively for the current financial quarter ended 31 March 2020. The revenue of RM19.1 million represented a decrease of RM10.2 million or approximately 35% as compared to the revenue of RM29.3 million recorded for the corresponding 3-month financial quarter ended 31 March 2019. 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 RM19.1 million, approximately 61% was contributed from the Food Service Operations segment and approximately 23% was from the Amusement and Recreation Operations segment.

The Food Service Operations segment recorded a decrease in revenue of RM5.3 million to RM11.7 million in the current financial quarter when compared with the preceding year corresponding quarter of RM17.0 million.

The Amusement and Recreation Operations segment recorded revenue of RM4.4 million for the current financial quarter, which is RM3.5 million lower when compared with the preceding year corresponding quarter of RM7.9 million.

Loss before taxation for the current financial quarter was RM13.1 million as compared to loss before taxation of RM5.5 million for the preceding year's corresponding quarter ended 31 March 2019. There was an increase in loss of RM7.5 million.

These were due to adverse impact from COVID-19 outbreak and the containment measures implemented, where Genting Highlands and The Top, Komtar Tower, Penang, are affected by the compulsory closed down by the government and also the impact of the adoption of MFRS 16 for the 9-months financial period end 31 March 2020 amounted to approximately RM3.2 million.

B1. Performance Review (cont'd)

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

	9 Months Ended		Changes	
	31/3/2020	31/3/2019	RM'000	%
Revenue	89,870	95,651	(5,781)	-6%
EBITDA	26,648	22,038	4,610	21%
Loss before taxation	(10,037)	(4,333)	(5,704)	-132%

The Group achieved revenue, EBITDA and loss before taxation of RM89.9 million, RM26.6 million and RM10.0 million respectively for the 9-months financial period ended 31 March 2020. The revenue of RM89.9 million represented a decrease of RM5.8 million or approximately 6% as compared to the revenue of RM95.7 million recorded for the corresponding 9-months period for the financial period ended 31 March 2019. For the current 9-month financial period ended 31 March 2020, 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 RM89.9 million, approximately 56% was from the segment of Food Service Operations and approximately 30% was from the segment of Amusement and Recreation Operations.

The segment of Food Service Operations recorded an increase in revenue of RM2.0 million to RM50.7 million in the current 9-months financial period ended 31 March 2020 when compared with the preceding year corresponding 9-months period for the financial year ended 31 March 2019 of RM48.7 million, mainly due to the 9-months impact of the opening of Skytropolis Funland, 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 total decrease in revenue of RM7.0 million from RM34.0 million in the preceding 9-months financial period ended 31 March 2019 when compared with the current year 9-months period for the financial year ended 31 March 2020 of RM27.0 million. It is mainly due to the decrease in revenue of RM3.4 million in the first 6-months mainly due to the lower volume of business at The Top, Komtar Tower, Penang and the closure of Kota Tinggi Resorts. RM3.6 million decreased in revenue in the current 3-months impact mainly due to the global slowdown caused by the Covid-19 pandemic.

Loss before taxation for the current 9-months financial period ended 31 March 2020 was RM10.0 million as compared to loss before taxation of RM4.3 million of the preceding year's corresponding year-to-date ended 31 March 2019. The increase in loss before taxation of RM5.7 million was mainly due to the unprecedented COVID-19 disease pandemic which is felt worldwide causing disruption to global economy and also the impact of the adoption of MFRS 16 for the 9 months financial period ended 31 March 2020 amounting to RM3.2 million.

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

The group reported a loss of RM13.2 million in the current financial quarter from profit before taxation of RM2.4 million in the immediate preceding quarter. The deterioration was mainly due to the ongoing COVID-19 pandemic outbreak and the containment measures which posed an unprecedented challenge to the global economy, changes in consumer behaviour and sentiments and the impact of the adoption of MFRS 16 amounting RM3.2 million.

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

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

	Individual Quarter	Cumulative Quarter
	3 Months Ended 31/3/2020	9 Months Ended 31/3/2020
	RM'000	RM'000
Amortisation of prepaid lease	759	2,275
Depreciation of property, plant and equipment	5,662	17,008
Depreciation of right-of-use assets	8,452	9,425
Impairment loss on property, plant and equipment	-	257
Property, plant and equipment written off	-	58
Interest expense	4,238	7,662
Interest income	(179)	(587)

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	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
	RM'000	RM'000	RM'000	RM'000
Current taxation				
Malaysian - current	-	345	-	1,874
Malaysian - prior year	(15)	(135)	662	(135)
	(15)	210	662	1,739
Deferred taxation	-	-	(498)	(12,560)
	(15)	210	164	(10,821)

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 18 June 2020.

B8. Group Borrowings

	As at 31/3/2020 RM'000
Long-term borrowings	
Secured:	
Term loans	50,907
Short-term borrowings	
Secured:	
Term loans	21,564
Total borrowings	<u>72,471</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 11 June 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		9 Months Ended	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Loss attributable to Owners of the Company (RM'000)	(13,045)	(5,485)	(10,188)	6,685
Weighted average number of ordinary shares in issue ('000)	285,100	273,216	285,100	272,436
Basic earnings per share (sen)	<u>(4.58)</u>	<u>(2.01)</u>	<u>(3.57)</u>	<u>2.45</u>

(ii) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Loss attributable to Owners of the Company (RM'000)	(13,045)	(5,485)	(10,188)	6,685
Weighted average number of ordinary shares in issue ('000)	285,100	273,216	285,100	272,436
Adjustment for potential conversion of warrants ('000)	<u>-*</u>	<u>-*</u>	<u>-*</u>	<u>-*</u>
	<u>285,100</u>	<u>273,216</u>	<u>285,100</u>	<u>272,436</u>
Diluted loss per share (sen)	<u>(4.58)</u>	<u>(2.01)</u>	<u>(3.57)</u>	<u>2.45</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. Auditors' Report On Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2019 was unqualified.

B13. 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 18 June 2020.