



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

INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020

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

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>3 Months Ended</u>		<u>3 Months Ended</u>	
	<u>30/9/2020</u>	<u>30/9/2019</u>	<u>30/9/2020</u>	<u>30/9/2019</u>
Note	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	13,463	33,677	13,463	33,677
Cost of sales	(16,054)	(26,818)	(16,054)	(26,818)
Gross (loss)/profit	(2,591)	6,859	(2,591)	6,859
Other income	505	664	505	664
	(2,086)	7,523	(2,086)	7,523
Selling and distribution expenses	(172)	(285)	(172)	(285)
Administrative expenses	(3,229)	(4,223)	(3,229)	(4,223)
Other expenses	(495)	(595)	(495)	(595)
(Loss)/Profit from operations	(5,982)	2,420	(5,982)	2,420
Finance costs	(2,240)	(1,774)	(2,240)	(1,774)
(Loss)/Profit before taxation	(8,222)	646	(8,222)	646
Taxation	(50)	(580)	(50)	(580)
(Loss)/Profit after taxation	(8,272)	66	(8,272)	66
Other comprehensive income	-	-	-	-
Total comprehensive (expenses)/income for the financial period	(8,272)	66	(8,272)	66
Loss/(Profit) after taxation attributable to:-				
- Owners of the Company	(8,269)	62	(8,269)	62
- Non-Controlling interests	(3)	4	(3)	4
	(8,272)	66	(8,272)	66
Total comprehensive (expenses)/income attributable to:-				
- Owners of the Company	(8,269)	62	(8,269)	62
- Non-Controlling interests	(3)	4	(3)	4
	(8,272)	66	(8,272)	66
Loss/(Profit) per share (sen) attributable to Owners of the Company				
- Basic	(2.90)	0.02	(2.90)	0.02
- Diluted	(2.90)	0.02	(2.90)	0.02

(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 2020 and the Explanatory Notes for the quarter ended 30 September 2020)



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**INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30/9/2020 (Unaudited) RM'000	As at 30/6/2020 (Audited) RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		164,914	169,950
Right-of-use assets		186,079	188,648
Intangible assets		313	313
Deferred tax assets		12,897	12,897
		364,203	371,808
CURRENT ASSETS			
Inventories		1,916	2,188
Trade receivables		6,480	5,361
Other receivables, deposits and prepayments		9,967	10,290
Current tax assets		1,445	2,307
Fixed deposits with licensed banks		32,404	31,979
Cash and bank balances		6,721	7,686
		58,933	59,811
TOTAL ASSETS		423,136	431,619
EQUITY AND LIABILITIES			
EQUITY			
Share capital		197,809	197,809
Reserves		15,911	23,855
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		213,720	221,664
Non-controlling interests		1,339	1,342
TOTAL EQUITY		215,059	223,006
NON-CURRENT LIABILITIES			
Leases liabilities		60,349	68,782
Long-term borrowings	B8	50,546	50,527
Deferred tax liabilities		841	1,510
Deferred income		1,073	898
		112,809	121,717
CURRENT LIABILITIES			
Trade payables		6,758	5,754
Other payables, deposits received and accruals		29,813	26,001
Amount owing to holding company		9,138	9,138
Leases liabilities		19,514	12,219
Short-term borrowings	B8	23,998	23,998
Bank overdrafts		6,016	9,586
Current tax liabilities		31	200
		95,268	86,896
TOTAL LIABILITIES		208,077	208,613
TOTAL EQUITY AND LIABILITIES		423,136	431,619
Net assets per share attributable to Owners of the Company (RM)		0.75	0.78

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2020 and the Explanatory Notes for the quarter ended 30 September 2020)



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**INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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	Merger Deficit	Revaluation Reserve	Capital Reserve	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>3 Months Ended 30 September 2020</u>								
At 1 July 2020	197,809	(56,777)	18,096	1,200	61,336	221,664	1,342	223,006
Prior year adjustment	-	-	-	-	325	325	-	325
As per restated	197,809	(56,777)	18,096	1,200	61,661	221,989	1,342	223,331
Loss after taxation for the financial period	-	-	-	-	(8,269)	(8,269)	(3)	(8,272)
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-
Transfer of Capital Reserve	-	-	-	-	-	-	-	-
At 30 September 2020 (Unaudited)	197,809	(56,777)	18,096	1,200	53,392	213,720	1,339	215,059



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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	Merger Deficit	Revaluation Reserve	Capital Reserve	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>3 Months Ended 30 September 2019</u>								
At 1 July 2019	197,809	(56,777)	18,096	1,200	97,506	257,834	1,379	259,213
Profit after taxation for the financial period	-	-	-	-	62	62	4	66
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	9	9	(9)	-
Total transactions with owners	-	-	-	-	9	9	(9)	-
Transfer of Capital Reserve				(300)	300			
At 30 September 2019 (Unaudited)	<u>197,809</u>	<u>(56,777)</u>	<u>18,096</u>	<u>900</u>	<u>97,877</u>	<u>257,905</u>	<u>1,374</u>	<u>259,279</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 2020 and the Explanatory Notes for the quarter ended 30 September 2020)



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**INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 Months Ended	
	30/9/2020	30/9/2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(8,222)	646
Adjustments for:-		
Amortisation of intangible assets	-	(1)
Amortisation of prepaid leases	-	756
Depreciation of property, plant and equipment	5,624	6,059
Depreciation of right-of-use assets	2,679	-
Impairment loss on property, plant and equipment	-	11
Interest expense on lease liabilities	1,439	-
Other interest expense	801	1,774
Interest income	(143)	(243)
Operating profit before working capital changes	2,178	9,002
Decrease in inventories	272	196
Increase in trade and other receivables	(795)	(378)
Increase in trade and other payables	4,589	1,875
Cash generated from operations	6,244	10,695
Tax refund/(paid)	269	(187)
Interest paid	(2,240)	(1,774)
Interest received	143	243
NET CASH GENERATED FROM OPERATIONS	4,416	8,977
CASH FLOWS FROM INVESTING ACTIVITIES		
Placement of fixed deposits	(425)	(1,004)
Purchase of property, plant and equipment	(267)	(848)
NET CASH USED IN INVESTING ACTIVITIES	(692)	(1,852)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of hire purchase obligations/lease liabilities	(1,119)	(1,141)
Repayment of term loans	-	(6,411)
NET CASH USED IN FINANCING ACTIVITIES	(1,119)	(7,552)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,605	(427)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	(1,900)	520
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	705	93

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2020 and the Explanatory Notes for the quarter ended 30 September 2020)



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

	3 Months Ended	
	30/9/2020	30/9/2019
	RM'000	RM'000
CASH AND CASH EQUIVALENTS COMPRISE:-		
Fixed deposit with licensed banks	32,404	29,831
Cash and bank balances	6,721	9,438
Bank overdrafts	(6,016)	(8,194)
	33,109	31,075
Less: Fixed deposits pledged with licensed banks	(32,404)	(29,831)
Less: Bank balance held as Escrow	-	(1,151)
	705	93

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2020 and the Explanatory Notes for the year ended 30 September 2020)



ONLY WORLD GROUP HOLDINGS BERHAD

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020

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

A1. Basis of Preparation

These condensed consolidated interim financial statements are unaudited and have 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 2020 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 2020 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 2020 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 16	COVID-19-Related Rent Concessions
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)

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:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023*
Amendments to MFRS 3 Definition of a Business	1 January 2020
Amendments to MFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 4 Extension of the Temporary Exemption from Applying MFRS 9	At issue date of 17 August 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7, Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 10, and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture its Associate or Joint Venture	Deferred
Amendments MFRS 17 Insurance Contracts	1 January 2023*
Amendments to MFRS 101 and MFRS 108 Definition of Material	1 January 2020
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2023**
Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

* The effective date has been deferred from annual reporting periods beginning on or after 1 January 2021 to 1 January 2023 pursuant to the amendments to MFRS 17 issued by the MASB, namely 'Amendments to MFRS 17 Insurance Contracts'.

** The effective date has been deferred from annual reporting periods beginning on or after 1 January 2022 to 1 January 2023 pursuant to the amendments to MFRS 101 issued by the MASB, namely 'Classification of Liabilities as Current or Non-current – Deferral of Effective Date'.

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.

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 2020.

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 significant unusual items that effect the assets, liabilities, equity, net income or cash flow for the current financial quarter & financial year end-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 three (3) months ended 30 September 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	8,468	4,100	895	-	13,463
Inter-segment revenue	1,907	12	109	(2,028)	-
Total revenue	<u>10,375</u>	<u>4,112</u>	<u>1,004</u>	<u>(2,028)</u>	<u>13,463</u>
Segment profit/(loss)	4,011	1,318	(3,008)	-	2,321
Depreciation and amortisation					(8,303)
Impairment loss on property, plant and equipment					-
Property, plant and equipment written off					-
Finance costs					(2,240)
Loss before taxation					(8,222)
Taxation					(50)
Loss for the period					<u>(8,272)</u>

- (ii) The segmental result for the three (3) months ended 30 June 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	18,251	10,061	5,365	-	33,677
Inter segment revenue	4,515	73	134	(4,722)	-
Total segment revenue	<u>22,766</u>	<u>10,134</u>	<u>5,499</u>	<u>(4,722)</u>	<u>33,677</u>
Segment profit/(loss)	4,168	4,740	338	-	9,246
Depreciation and amortisation					(6,815)
Impairment loss on property, plant and equipment					(11)
Finance costs					(1,774)
Profit before taxation					646
Taxation					(580)
Profit for the period					<u>66</u>

A10. Capital Commitment

Capital commitment for property and equipment not provided for as at 30 September 2020 were as follows:-

	As at
	30/9/2020
	RM'000
Approved and not contracted for:-	
Refurbishment works and renovation of family attractions & food service outlets.	<u>1,663</u>

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

Malaysia implemented the Recovery Movement Control Order ("RMCO") from 10 June 2020 until 31 December 2020, where theme parks, including water parks, were allowed to operate beginning 1 July 2020 while family entertainment centres such as game arcades and indoor theme parks were allowed to reopen starting from 15 July 2020. However on 14 October 2020 in order to curb the second wave spread of COVID-19, the Government has enforced a conditional MCO ("CMCO") in Kuala Lumpur, Putrajaya, Selangor and Sabah and follow by the extended CMCO included others states of Malaysia except Perlis, Pahang and Kelantan effective from 9 November 2020 until 6 December 2020. During the CMCO period, most of our businesses in Klang Valley, and all our water parks are closed as the family attractions and entertainment do not fall into the approved activities of essential services. However, our Food Service Operations outlets in Shah Alam and Bangsar remained open and 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 RM67,312,000 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		3 Months Ended	
	30/9/2020	30/9/2019	30/9/2020	30/9/2019
	RM'000	RM'000	RM'000	RM'000
(i) Entities controlled by certain key management personnel:-				
Rental income	54	54	54	54
(ii) Directors:-				
Rental expense	<u>(270)</u>	<u>(270)</u>	<u>(270)</u>	<u>(270)</u>



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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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	
	30/9/2020	30/9/2019	RM'000	%
Revenue	13,463	33,677	(20,214)	-60%
EBITDA	2,321	9,246	(6,925)	-75%
(Loss)/Profit before taxation	(8,222)	646	(8,868)	-1373%

The Group recorded revenue, EBITDA and loss before taxation of RM13.5 million, RM2.3 million and RM8.2 million respectively for the current financial quarter ended 30 September 2020. The revenue of RM13.5 million represented a decrease of RM20.2 million or approximately 60% as compared to the revenue of RM33.7 million recorded for the corresponding 3-months financial quarter ended 30 September 2019. The Group recorded lower revenue in the current quarter ended 30 September 2020 as a result of containment measures undertaken by government to curb the COVID-19 pandemic.

The Food Service Operations segment recorded a decrease in revenue of RM9.8 million to RM8.5 million in the current financial quarter when compared with the preceding year's corresponding quarter of RM18.3 million due to the closure of the outlets and lower business volume.

The Amusement and Recreation Operations segment recorded revenue of RM4.1 million for the current financial quarter, which is RM6.0 million lower when compared with the preceding year's corresponding quarter of RM10.1 million due to containment measures undertaken by government to curb the Covid-19 pandemic causes the lower business volume.

The other services segment also recorded revenue of RM0.9 million for the current financial quarter, which is RM4.5 million lower when compared with the preceding year's corresponding quarter of RM5.4 million mainly due to the lower business volume caused by containment measures undertaken by government to curb the Covid-19 pandemic.

Loss before taxation for the current financial quarter was RM8.2 million as compared to profit before taxation of RM0.6 million for the preceding year's corresponding quarter ended 30 September 2019.

These were due to the adverse impact from the COVID-19 pandemic and the containment measures undertaken by Government, where our businesses in Klang Valley, Genting Highlands and The Top @ Komtar Tower, Penang, were affected badly and also the impact of the MFRS 16 finance cost which amounted to approximately RM1.3 million.

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

The group reported a loss before taxation of RM8.2 million in the current financial quarter compared to the loss before taxation of RM24.7 million in the immediate preceding quarter. The improvement in the loss before taxation in the immediate preceding quarter was mainly due to the adverse impact from the COVID-19 pandemic and the containment measures undertaken by the Government, where our businesses in Klang Valley, Genting Highlands and The Top @ Komtar Tower, Penang, were badly affected and also a major impact from the impairment of assets amounting to approximately RM9.0 million during the immediate preceding quarter arising from several loss making subsidiaries resulting from low business volume. Following the implementation of RMCO, theme parks were allowed to operate beginning 1 July 2020 while family entertainment centres such as game arcades and indoor theme parks were allowed to reopen starting from 15 July 2020. This had cushioned the negative impact of the RMCO for this period under review as compared to the immediate preceding quarter.

B3. Current Year Prospects

Following a recent spike in the number of COVID-19 cases in Malaysia, the Government had on the 14 October 2020 re-imposed the Conditional Movement Control Order (CMCO) in Kuala Lumpur, Putrajaya and Selangor as a measurement to contain the chain of infection of the virus.

The Government has then announced the CMCO in Kuala Lumpur, Putrajaya and Selangor extended to 6 December 2020. In addition, the Government will be reinstating the CMCO to all states within Peninsular Malaysia with the exception of Kelantan, Perlis and Pahang effective 9 November 2020 to 6 December 2020.

The Group's overall business volume and its corresponding financial performance have been severely impacted by the unprecedented disruptions to the Group's business operations as a result of the COVID-19 pandemic. Further, the COVID-19 outbreak and containment measures undertaken by the Malaysian Government as well as governments globally have placed significant pressure on the Malaysian economy and the tourism, leisure and hospitality industry.

Notwithstanding the above, the Company will continue to improve the Group's cost effectiveness across all operating segments, which include regular review of human resources and manpower requirements, optimise usage of utilities, cancel and/or defer non-essential expenditures. In addition, the Group has established stringent health and precautionary procedures at its operating premises to ensure employees' well-being and instil patrons' confidence. The said measures are part of the Company's on-going plan, while it prepares for the gradual recovery of the tourism, leisure and hospitality industry.

B4. Profit Forecast and Profit Estimate

The Group did not issue any profit forecast or profit estimate previously in any 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	3 Months Ended
	30/9/2020	30/9/2020
	RM'000	RM'000
Depreciation of property, plant and equipment	5,624	5,624
Depreciation of right-of-use assets	2,679	2,679
Interest expense	2,240	2,240
Interest income	(143)	(143)

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		3 Months Ended	
	30/9/2020	30/9/2019	30/9/2020	30/9/2019
	RM'000	RM'000	RM'000	RM'000
Current taxation				
Malaysian - current	50	-	50	-
Malaysian - prior year	-	652	-	652
	50	652	50	652
Deferred taxation	-	(72)	-	(72)
	50	580	50	580

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

On 22 June 2020, on behalf of the Board of Directors of Only World Group Holdings Berhad ("OWG" or "Company"), Public Investment Bank Berhad ("PIVB") announced that the Company proposed to undertake a renounceable rights issue of up to 160,259,996 new ordinary shares in OWG ("OWG Share(s)") ("Rights Share(s)") together with up to 80,129,998 free detachable warrants in OWG ("Warrant B") on the basis of 2 Rights Shares together with 1 Warrant B for every 5 existing OWG Shares held by the shareholders of the Company on an entitlement date to be determined and announced later ("Proposed Rights Issue with Warrants").

On 10 August 2020, on behalf of the Board, PIVB announced that the listing application in relation to the Proposed Rights Issue with Warrants has been submitted to Bursa Securities.

B7. Status of Corporate Proposals Announced (cont'd)

On 8 September 2020, on behalf of the Board, PIVB announced that Bursa Securities had, vide its letter dated 8 September 2020, approved the following:

- (i) admission to the Official List and the listing and quotation of up to 80,129,998 Warrants B to be issued pursuant to the Proposed Rights Issue with Warrants;
- (ii) listing and quotation of up to 160,259,996 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- (iii) listing and quotation of up to 80,129,998 new OWG Shares to be issued arising from the exercise of the Warrants B;
- (iv) listing and quotation of up to 17,190,560 additional warrants 2018/2023 in OWG (“Warrants A”) arising from the adjustments pursuant to the Proposed Rights Issue with Warrants; and
- (v) listing and quotation of up to 17,190,560 new OWG Shares to be issued arising from the exercise of the additional Warrants A.

On 30 September 2020, the Rights Issue with Warrants was approved by the shareholders at the Extraordinary General Meeting.

On 1 October 2020, on behalf of the Board, PIVB had announced that the Board had resolved to fix the issue price for the Rights Shares at RM0.21 per Rights Share and the exercise price of the Warrants B at RM0.34 per Warrant B.

On 2 October 2020, PIVB announced that the Board had on 2 October 2020 executed the Deed Pool B constituting the Warrants B.

The Abridged Prospectus was issued on 3 November 2020.

B8. Group Borrowings

	As at 30/9/2020 RM'000
Long-term borrowings	
Secured:	
Hire purchase / lease payables	-
Term loans	50,546
	<u>50,546</u>
Short-term borrowings	
Secured:	
Hire purchase / lease payables	-
Term loans	23,998
	<u>23,998</u>
Total borrowings	<u>74,544</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 12 November 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		3 Months Ended	
	30/9/2020	30/9/2019	30/9/2020	30/9/2019
(Loss)/Profit attributable to Owners of the Company (RM'000)	(8,269)	62	(8,269)	62
Weighted average number of ordinary shares in issue ('000)	285,100	285,100	285,100	285,100
Basic (loss)/earnings per share (sen)	<u>(2.90)</u>	<u>0.02</u>	<u>(2.90)</u>	<u>0.02</u>

(ii) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		3 Months Ended	
	30/9/2020	30/9/2019	30/9/2020	30/9/2019
(Loss)/Profit attributable to Owners of the Company (RM'000)	(8,269)	62	(8,269)	62
Weighted average number of ordinary shares in issue ('000)	285,100	285,100	285,100	285,100
Adjustment for potential conversion of warrants ('000)	-*	-*	-*	-*
	<u>285,100</u>	<u>285,100</u>	<u>285,100</u>	<u>285,100</u>
Diluted (loss)/earnings per share (sen)	<u>(2.90)</u>	<u>0.02</u>	<u>(2.90)</u>	<u>0.02</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 2020 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 19 November 2020.