



ONLY WORLD GROUP HOLDINGS BERHAD

Registration No: 201201041977 (1033338-K)

INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	3 Months Ended		6 Months Ended		
	Note	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000	
Revenue		5,502	37,083	18,965	70,760
Cost of sales		(12,416)	(27,443)	(28,470)	(54,261)
Gross (loss)/profit		(6,914)	9,640	(9,505)	16,499
Other income		1,418	666	1,923	1,330
		(5,496)	10,306	(7,582)	17,829
Selling and distribution expenses		41	(421)	(131)	(706)
Administrative expenses		(2,166)	(4,714)	(5,395)	(8,937)
Other expenses		(556)	(1,137)	(1,051)	(1,732)
(Loss)/Profit from operations		(8,177)	4,034	(14,159)	6,454
Finance costs		(1,710)	(1,650)	(3,950)	(3,424)
(Loss)/Profit before taxation	B5	(9,887)	2,384	(18,109)	3,030
Taxation	B6	50	401	-	(179)
(Loss)/Profit after taxation		(9,837)	2,785	(18,109)	2,851
Other comprehensive income		-	-	-	-
Total comprehensive (expenses)/income for the financial period		(9,837)	2,785	(18,109)	2,851
Loss/(Profit) after taxation attributable to:-					
- Owners of the Company		(9,835)	2,788	(18,104)	2,858
- Non-Controlling interests		(2)	(3)	(5)	(7)
		(9,837)	2,785	(18,109)	2,851
Total comprehensive (expenses)/income attributable to:-					
- Owners of the Company		(9,835)	2,781	(18,104)	2,858
- Non-Controlling interests		(2)	4	(5)	(7)
		(9,837)	2,785	(18,109)	2,851
Loss/(Profit) per share (sen) attributable to Owners of the Company					
- Basic	B11	(3.29)	0.94	(6.05)	0.96
- Diluted		(3.29)	0.94	(6.05)	0.96

(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 31 December 2020)



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**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31/12/2020 (Unaudited) RM'000	As at 30/6/2020 (Audited) RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		159,109	169,950
Right-of-use assets		183,643	188,648
Intangible assets		313	313
Deferred tax assets		12,897	12,897
		355,962	371,808
CURRENT ASSETS			
Inventories		1,720	2,188
Trade receivables		6,378	5,361
Other receivables, deposits and prepayments		8,389	10,290
Current tax assets		1,810	2,307
Fixed deposits with licensed banks		32,841	31,979
Cash and bank balances		20,590	7,686
		71,728	59,811
TOTAL ASSETS		427,690	431,619
EQUITY AND LIABILITIES			
EQUITY			
Share capital		200,530	197,809
Reserves		25,484	23,855
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		226,014	221,664
Non-controlling interests		1,337	1,342
TOTAL EQUITY		227,351	223,006
NON-CURRENT LIABILITIES			
Leases liabilities		60,997	68,782
Long-term borrowings	B8	50,494	50,527
Deferred tax liabilities		829	1,510
Deferred income		1,061	898
		113,381	121,717
CURRENT LIABILITIES			
Trade payables		2,970	5,754
Other payables, deposits received and accruals		33,224	26,001
Amount owing to holding company		-	9,138
Leases liabilities		18,032	12,219
Short-term borrowings	B8	23,998	23,998
Bank overdrafts		8,734	9,586
Current tax liabilities		-	200
		86,958	86,896
TOTAL LIABILITIES		200,339	208,613
TOTAL EQUITY AND LIABILITIES		427,690	431,619
Net assets per share attributable to Owners of the Company (RM)		0.76	0.75

(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 31 December 2020)



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INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←	Non-Distributable		→	Distributable	Attributable	Non-	Total	
Share Capital	Warrant Reserve	Merger Deficit	Revaluation Reserve	Capital Reserve	Retained Profits	To Owners of The Group	controlling Interests	Equity	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
6 Months Ended 31 December 2020									
At 1 July 2020	197,809	-	(56,777)	18,096	1,200	61,336	221,664	1,342	223,006
Prior year adjustment	-	-	-	-	-	(851)	(851)	-	(851)
As per restated	197,809	-	(56,777)	18,096	1,200	60,485	220,813	1,342	222,155
Loss after taxation for the financial period	-	-	-	-	-	(18,104)	(18,104)	(5)	(18,109)
Contribution by and distribution to owners of the Company:									
- issue right shares issued	23,948	-	-	-	-	-	23,948	-	23,948
- issuance of warrants	(21,135)	21,135	-	-	-	-	-	-	-
- right issued shares issuance expenses	(92)	-	-	-	-	-	(92)	-	(92)
- issuance of warrants expenses	-	(551)	-	-	-	-	(551)	-	(551)
	2,721	20,584	-	-	-	-	23,305	-	23,305
At 31 December 2020 (Unaudited)	200,530	20,584	(56,777)	18,096	1,200	42,381	226,014	1,337	227,351



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**INTERIM FINANCIAL REPORT
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←———	Non-Distributable		———→	Distributable	Attributable	Non-	Total
	Share	Merger	Revaluation	Capital	Retained	To Owners of	controlling	Equity
	Capital	Deficit	Reserve	Reserve	Profits	The Group	Interests	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>6 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
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)	-
At 31 December 2019 (Unaudited)	<u>197,809</u>	<u>(56,777)</u>	<u>18,096</u>	<u>1,200</u>	<u>100,213</u>	<u>260,541</u>	<u>1,371</u>	<u>261,912</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 31 December 2020)



ONLY WORLD GROUP HOLDINGS BERHAD
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**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 Months Ended	
	31/12/2020	31/12/2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(18,109)	3,030
Adjustments for:-		
Amortisation of prepaid leases	-	1,516
Depreciation of property, plant and equipment	11,407	12,319
Depreciation of right-of-use assets	5,232	-
Impairment loss on property, plant and equipment	-	257
Interest expense on lease liabilities	2,835	-
Other interest expense	1,115	3,424
Property, plant and equipment written off	-	58
Interest income	(274)	(408)
Operating profit before working capital changes	2,206	20,196
Decrease/(Increase) in inventories	469	(38)
Decrease/(Increase) in trade and other receivables	884	(1,718)
Increase in trade and other payables	3,097	3,347
Cash generated from operations	6,656	21,787
Tax refund/(paid)	(163)	(839)
Interest paid	(3,950)	(3,424)
Interest received	274	408
NET CASH GENERATED FROM OPERATIONS	2,817	17,932
CASH FLOWS FROM INVESTING ACTIVITIES		
Placement of fixed deposits	(862)	(1,896)
Purchase of property, plant and equipment	(362)	(1,627)
NET CASH USED IN INVESTING ACTIVITIES	(1,224)	(3,523)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares from right issue	23,948	-
Net repayment of hire purchase obligations/lease liabilities	(2,004)	(1,974)
Repayment of term loans	-	(11,960)
Repayment to holding company	(9,138)	-
Shares issuance expenses paid	(643)	-
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	12,163	(13,934)
NET INCREASE IN CASH AND CASH EQUIVALENTS	13,756	475
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	(1,900)	360
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	11,856	835

(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 31 December 2020)



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INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020

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

	6 Months Ended	
	31/12/2020	31/12/2019
	RM'000	RM'000
CASH AND CASH EQUIVALENTS COMPRISE:-		
Fixed deposit with licensed banks	32,841	30,724
Cash and bank balances	20,590	8,735
Bank overdrafts	(8,734)	(6,870)
	<u>44,697</u>	<u>32,589</u>
Less: Fixed deposits pledged with licensed banks	(32,841)	(30,724)
Less: Bank balance held as Escrow	-	(1,030)
	<u>11,856</u>	<u>835</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 2020 and the Explanatory Notes for the year ended 31 December 2020)



ONLY WORLD GROUP HOLDINGS BERHAD

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 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

Amendments to MFRS 3	Definition of Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to References to the Conceptual Framework in MFRS Standards	

The adoption of above amendments and interpretation did not result in any significant change to the accounting policies and did 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 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 Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, Interest Rate Benchmark Reform - Phase 2 MFRS 139 and MFRS 7, MFRS 4 and MFRS 16	1 January 2021
Amendments to MFRS 10, Sale or Contribution of Assets between an Investor and its and MFRS 128 Associate or Joint Venture its Associate or Joint Venture	Deferred
Amendments MFRS 17 Insurance Contracts	1 January 2023
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 Intended Use	1 January 2022
Amendments to MFRS 137 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

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 six (6) months ended 31 December 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	11,460	5,606	1,899	-	18,965
Inter-segment revenue	2,620	21	247	(2,888)	-
Total revenue	<u>14,080</u>	<u>5,627</u>	<u>2,146</u>	<u>(2,888)</u>	<u>18,965</u>
Segment profit/(loss)	5,320	823	(3,663)	-	2,480
Depreciation and amortisation					(16,639)
Impairment loss on property, plant and equipment					-
Property, plant and equipment written off					-
Finance costs					(3,950)
Loss before taxation					<u>(18,109)</u>
Taxation					-
Loss for the period					<u>(18,109)</u>

- (ii) The segmental result for the six (6) months ended 31 December 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	38,948	22,963	8,849	-	70,760
Inter segment revenue	9,378	123	320	(9,821)	-
Total segment revenue	<u>48,326</u>	<u>23,086</u>	<u>9,169</u>	<u>(9,821)</u>	<u>70,760</u>
Segment profit/(loss)	10,733	11,692	(1,821)	-	20,604
Depreciation and amortisation					(13,835)
Impairment loss on property, plant and equipment					(257)
Finance costs					(3,424)
Profit before taxation					<u>3,030</u>
Taxation					(179)
Profit for the period					<u>2,851</u>

A10. Capital Commitment

Capital commitment for property and equipment not provided for as at 31 December 2020 were as follows:-

	As at 31/12/2020 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 Conditional Movement Control Order ("CMCO") on 14 October 2020 in order to curb the second wave spread of COVID-19 in Kuala Lumpur, Putrajaya, Selangor and Sabah and the CMCO was extended to other states except Perlis, Pahang and Kelantan with effect from 9 November 2020 until 6 December 2020. Subsequently to the end of the financial period, as daily COVID-19 cases continue to rise, the Government has imposed the Movement Control Order 2.0 ("MCO 2.0") on 13 January 2021 for Kuala Lumpur, Putrajaya and Selangor, Johor, Penang, Melaka and Sabah as a measurement to contain the chain of infection of the virus. The MCO 2.0 was imposed on all states within Peninsular Malaysia with the exception of Sarawak effective 22 January 2021 to 18 February 2021. The MCO 2.0 was then further extended until 4 March 2021 for Kuala Lumpur, Selangor, Penang and Johor while CMCO will be reimposed for other states until 4 March 2021. During the CMCO and MCO 2.0 period, most of our businesses in Klang Valley, Genting and Komtar Penang are closed as the family attractions and entertainment do not fall under the approved activities of essential services. However, some of our Food Service Operations outlets in Shah Alam, Bangsar and Penang 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 RM69,660,000 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	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	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	(270)	(270)	(270)	(270)



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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	
	31/12/2020	31/12/2019	RM'000	%
Revenue	5,502	37,083	(31,581)	-85%
EBITDA	159	11,358	(11,199)	-99%
(Loss)/Profit before taxation	(9,887)	2,384	(12,271)	-515%

The Group recorded revenue, EBITDA and loss before taxation of RM5.5 million, RM0.2 million and RM9.9 million respectively for the current financial quarter ended 31 December 2020. The revenue decreased by RM31.6 million or approximately 85% as compared to the revenue of RM37.1 million recorded for the corresponding 3-months financial quarter ended 31 December 2019.

The Group recorded lower revenue in the current quarter ended 31 December 2020 as a result of containment measures undertaken by the Government to curb the COVID-19 pandemic which resulted in lower business volume for the Group's segments. The aforementioned had affected the Group's segments as follows:

- (i) the Food Service Operations segment recorded a decrease in revenue of RM17.7 million to RM3.0 million in the current financial quarter when compared with the preceding year's corresponding quarter of RM20.7 million;
- (ii) the Amusement and Recreation Operations segment recorded revenue of RM1.5 million for the current financial quarter, which is RM11.4 million lower when compared with the preceding year's corresponding quarter of RM12.9 million; and
- (iii) the Other Services segment recorded revenue of RM1.0 million for the current financial quarter, which is RM2.5 million lower when compared with the preceding year's corresponding quarter of RM3.5 million mainly due to the lower business volume caused by containment measures undertaken by government to curb the Covid-19 pandemic.

The loss in revenue arising from the lower business volume had contributed to a loss before taxation for the current financial quarter was RM9.9 million as compared to profit before taxation of RM2.4 million for the preceding year's corresponding quarter ended 31 December 2019.

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

The group reported a loss before taxation of RM9.9 million in the current financial quarter compared to the loss before taxation of RM8.2 million in the immediate preceding quarter. The increased in the loss before taxation in the immediate preceding quarter was mainly due to the impact from the COVID-19 pandemic and the containment measures undertaken by the Government, which affected businesses in the Klang Valley, Genting Highlands and The Top @ Komtar Tower, Penang.

B3. Current Year Prospects

Following a recent spike in the number of COVID-19 cases in Malaysia, the Government had on the 13 January 2021 imposed the MCO 2.0 in Kuala Lumpur, Putrajaya and Selangor, Johor, Penang, Melaka and Sabah as a measurement to contain the chain of infection of the virus.

Subsequently, the Government announced that MCO 2.0 has been extended in the aforementioned states and later, throughout Malaysia with the exception of Sarawak until 4 February 2021. The MCO 2.0 was then further extended until 4 March 2021 for Kuala Lumpur, Selangor, Penang and Johor while CMCO will be reimposed for other states until 4 March 2021.

The Group's overall business volume and its corresponding financial performance have been severely impacted by the unprecedented disruptions of the COVID-19 pandemic. Further, the COVID-19 outbreak and containment measures undertaken by the Malaysian Government and the closure of the cross countries border 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 efficiency across all operating segments, which include regular review of manpower requirements, minimise 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	6 Months Ended
	31/12/2020	31/12/2020
	RM'000	RM'000
Depreciation of property, plant and equipment	5,783	11,407
Depreciation of right-of-use assets	2,553	5,232
Interest expense	1,710	3,950
Interest income	(131)	(274)

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	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
Current taxation				
Malaysian - current	(50)	-	-	-
Malaysian - prior year	-	25	-	677
	(50)	25	-	677
Deferred taxation	-	(426)	-	(498)
	(50)	(401)	-	179

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").

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

On 10 August 2020, the listing application in relation to the Proposed Rights Issue with Warrants has been submitted to Bursa Securities and on 8 September 2020, Bursa Securities had given its approval. Subsequently, the Rights Issue with Warrants was approved by the shareholders at the Extraordinary General Meeting on 30 September 2020.

The Rights Issue with Warrants is completed following the listing of and quotation for 114,039,965 Rights Shares, 57,019,981 Warrants B and 17,189,050 additional Warrants A on the Main Market of Bursa Securities on 2 December 2020.

Status of utilisation of proceeds derived from the corporate proposal by the company as at 31 December 2020 was as follows:-

	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Unutilised proceeds (RM'000)	Time frame for utilisation of proceeds from the date of listing of the Rights shares
Set-off	9,138	9,138	-	Immediate
Repayment	8,500	-	8,500	Within 6 months
Working capital requirements	5,667	45	5,622	Within 12 months
Estimated expense arising from the Rights Issue with Warrants	643	643	-	Immediate
Total	<u>23,948</u>	<u>9,826</u>	<u>14,122</u>	

B8. Group Borrowings

	As at <u>31/12/2020</u> RM'000
Long-term borrowings	
Secured:	
Hire purchase / lease payables	-
Term loans	<u>50,494</u>
	<u>50,494</u>
Short-term borrowings	
Secured:	
Hire purchase / lease payables	-
Term loans	<u>23,998</u>
	<u>23,998</u>
Total borrowings	<u><u>74,492</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 15 February 2021, 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	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
(Loss)/Profit attributable to Owners of the Company (RM'000)	(9,835)	2,788	(18,104)	2,858
Weighted average number of ordinary shares in issue ('000)	299,285	296,504	299,285	296,504
Basic (loss)/earnings per share (sen)	<u>(3.29)</u>	<u>0.94</u>	<u>(6.05)</u>	<u>0.96</u>

(ii) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
(Loss)/Profit attributable to Owners of the Company (RM'000)	(9,835)	2,788	(18,104)	2,858
Weighted average number of ordinary shares in issue ('000)	299,285	296,504	299,285	296,504
Adjustment for potential conversion of warrants ('000)	_*	_*	_*	_*
	<u>299,285</u>	<u>296,504</u>	<u>299,285</u>	<u>296,504</u>
Diluted (loss)/earnings per share (sen)	<u>(3.29)</u>	<u>0.94</u>	<u>(6.05)</u>	<u>0.96</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 22 February 2021.